Committee Perspectives

Quarterly Capital Market Monitor

2nd Quarter 2026
Ameriprise Global Asset Allocation Committee

NOTE: FOR IMPORTANT DISCLOSURES, INCLUDING A LIST OF ASSET CLASS INDICES SHOWN, PLEASE SEE THE DISCLOSURE PAGES AT THE END OF THIS DOCUMENT.

Outline

1. Keys to the Quarter
2. Equities
3. Fixed Income
4. Alternatives / Other

Keys to the Quarter

Views of the Ameriprise Global Asset Allocation Committee

First Quarter Drivers

Headlines and Economy

Q4 GDP was revised down to 0.5%, March flash PMIs pointed to slower growth alongside persistent price pressures, and core PCE moved back above +3.0%. Corporate profits, however, remained a relative bright spot, with Q1 and full-year 2026 earnings expectations moving higher. By quarter-end, investors were contending with a materially altered backdrop from expectations entering the new year, marked by higher energy prices, a reset in rate expectations, elevated geopolitical risk, and a breakdown in concentrated equity leadership.

Equities

The first quarter started smoothly, with the S&P 500 Index climbing in January and hitting a new all-time high (pages 18 and 21). However, stocks took a decisive turn lower as the quarter progressed, driven by sector-level dislocations tied to artificial intelligence, evolving monetary policy expectations, and an unexpected oil shock centered in the Middle East (pages 18 and 21). The S&P 500 declined 4.3% in Q1, marking only its third negative quarter since 2022. The NASDAQ fell 7.0%, its largest quarterly decline in a year, and entered correction territory, reflecting heavy concentration in large-cap technology and software. In contrast, the Russell 2000 gained +0.9%, and the Equal-Weight S&P 500 gained +0.2%, underscoring that weakness was concentrated among the largest-capitalization stocks.

Fixed Income

During the quarter, Treasury yields rose (page 25) and rate-cut expectations evaporated with futures markets pricing in no Fed easing until 2027 (page 26). Market-based inflation expectations, measured by breakeven rates, show that investors expect inflation to average close to the Federal Reserve's 2% target over the next 10 years. Investment-grade, high-yield, emerging-market, and securitized credit spreads have all compressed significantly from the 2022 stress peaks, signaling confidence that widespread defaults or a significant recession are unlikely in the near term. That said, spreads are no longer at cycle tights (page 27). Markets are still demanding compensation for risks tied to slower growth, higher refinancing costs, and geopolitical uncertainty.

Alternatives and Private Markets

Liquid Alternative strategies delivered mixed results in the first quarter, with Systematic Trend and Global Macro strategies, both able to allocate to commodities, outperforming U.S. equity markets (page 32). The Bloomberg Commodity Index is up 24% year-to-date, with returns driven by a combination of geopolitical disruption, inflation sensitivity, and supply constraints (page 33). On the private markets side, fundraising remains challenging, though managers have been slowly clearing some of the dry powder on their books (page 36). Dealmaking remains focused on large-AI companies (page 37). Exit activity spiked in the first quarter as SpaceX acquired xAI. Several anticipated high-profile IPOs could position 2026 for a breakout year in headline numbers. However, beyond the top companies, IPO activity remains tight (page 38). Private Credit spreads continue to narrow vs. high yield while default rates have inched up (page 41). Commercial real estate is still trying to gain momentum, while the headline MSCI Real Capital Analytics National All Property index is up just 1.3% in the last twelve months, office space is being absorbed at the fastest pace since the pandemic (page 43).

Second Quarter Drivers

Staying focused in a changing market environment.

After months of relentless headline risks, U.S. stocks are staging a powerful recovery in April (pages 18 and 19). In our view, the latest recovery in the stock market collectively suggests that the worst-case outcomes across the market's three dominant risk categories, the Iran conflict, AI disruption/capex concerns, and inflation/Fed impacts, are becoming less likely at the margin, even if none of them are resolved.

The S&P 500 has fully erased its losses from the Iran conflict and hit a new all-time high this month, up over +10% from its March 30th low (pages 18 and 19). The NASDAQ Composite recently posted its longest winning streak since 1992, while the Philadelphia Semiconductor Index has rallied +27.6% from its March 30th low and now trades at record highs. Even software stocks, the epicenter of selling pressure this year, have climbed +10.0% since hitting a one-year closing low on April 10th, as measured by the iShares Expanded Tech-Software ETF. These are not minor moves.

So, has the market moved past peak uncertainty? Possibly. But that likely misses the more important point. Markets do not wait for certainty. Investors price the direction of change in uncertainty, not certainty itself. Consider what was simultaneously priced into markets at the March 30th lows. The Strait of Hormuz was effectively closed, with roughly 30-35% of global crude oil not moving, per the UN Food and Agriculture Organization. Goldman Sachs estimated systematic investors had dumped approximately $240 billion in global equities over the prior month. And the BofA Global Fund Manager Survey showed growth expectations posting their biggest single-month decline since March 2022. In our view, that's what peak uncertainty looks like in real time.

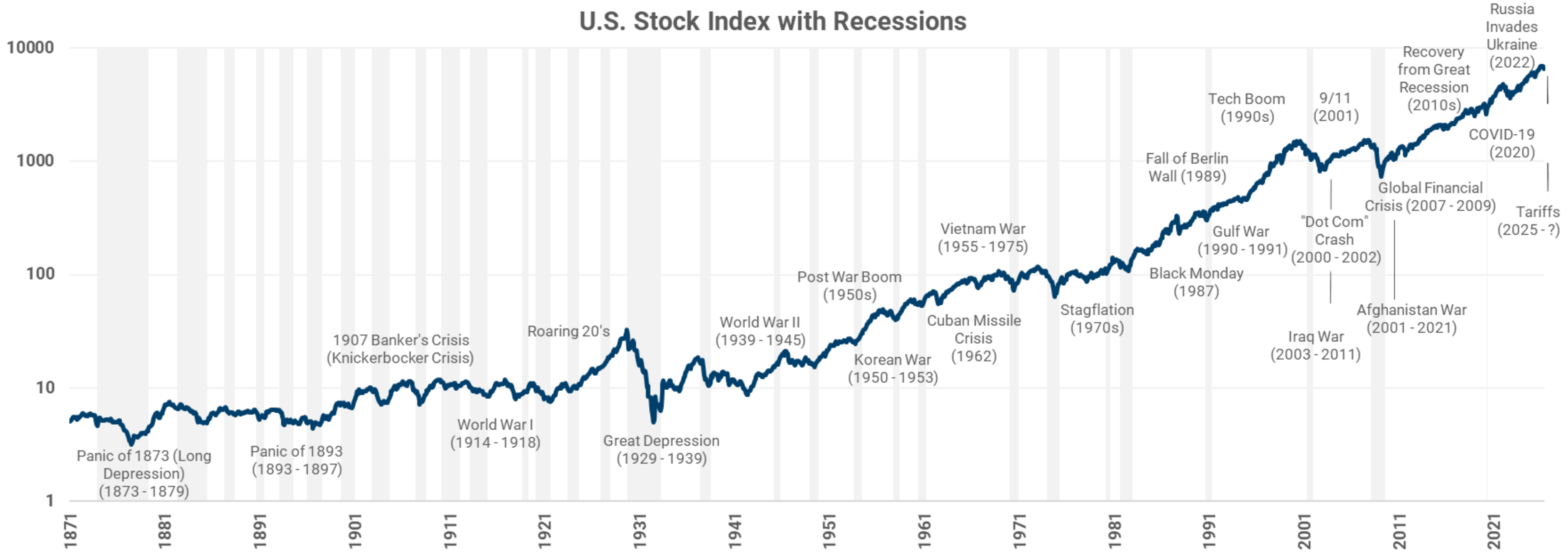
Looking ahead, on the constructive side, corporate earnings momentum remains intact, and Q1 profit reports during the earnings season could provide some foundational support for equities (page 20). Corporate profit margins remain strong by historical standards, earnings revisions have accelerated meaningfully in recent months, and valuation multiples have compressed from late-2025 extremes, particularly in Technology and mega-cap stocks. Labor market indicators continue to point to stability rather than outright deterioration, and productivity growth has remained firm, a combination that has historically supported earnings durability even during periods of slower growth. Recent equity declines have also pushed investor sentiment sharply lower, leaving several indices oversold (as of March), a condition that has often preceded stabilization or recovery once uncertainty peaks.

Bottom line: We believe the fundamental backdrop remains constructive, supported by earnings and economic fundamentals, but the easy upside from the recovery phase appears largely behind us, leaving earnings delivery, geopolitical developments, and sustained economic momentum as the next tests for markets.

Equities

U.S. Stock Market History

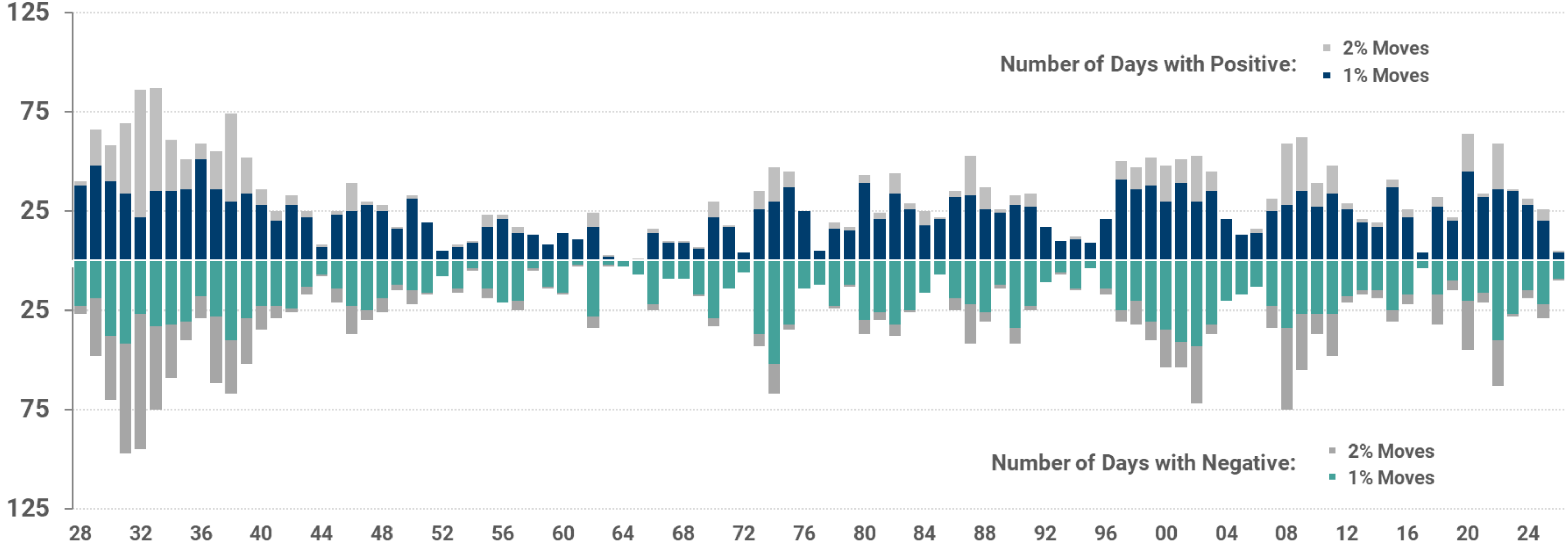
From the Great Depression to worldwide wars to the Global Financial Crisis, the U.S. stock market has faced many challenges – but still has risen over time. While it's not easy to see your portfolio's value drop, it's helpful to remember that "this too shall pass."



Source: NBER, Bloomberg, American Enterprise Investment Services, Inc.
Data shown is based on the following: 1871 - 1917, Cowles Commission Index as converted by the Standard & Poors Corporation and available through the National Bureau of Economic Research (NBER). 1918 - 1956, monthly average of the weekly Standard and Poor's weekly composite price index based on Wednesday's close and as available by the NBER. 1957 through current, monthly closing price of the Standard and Poor's 500 Price Index. Recessions are as defined by the NBER and highlighted by the vertical gray bars. Data prior to 1957 rescaled. Chart presented in log scale.
Data as of 03/31/2026.

Big moves in the S&P 500 Index are common

Daily ups and downs in the S&P 500 are the norm – not the exception. History shows that the market is ultimately resilient, and those who stay invested over the long term often benefit.



Sources: Bloomberg, S&P Dow Jones Indices, American Enterprise Investment Services, Inc.
Data as of 03/31/2026

Market volatility offers an investment opportunity

It's natural to consider investing less money into stocks when the market drops. However, history suggests that over time, investing when markets are uncertain can be advantageous. This chart shows how investing during high periods of volatility can lead to long-term gains that may be higher than the S&P 500's median returns.

Median future S&P 500 Price returns for specified period when investing at VIX values from						
VIX	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years
20 to 25	1.1%	3.2%	4.8%	10.2%	8.6%	5.7%
25 to 30	2.0%	4.5%	8.1%	12.5%	10.1%	8.0%
30 to 35	3.5%	7.3%	13.7%	19.5%	13.2%	11.0%
35 to 40	4.2%	7.7%	16.9%	23.2%	13.1%	13.0%
40 and Higher	2.7%	8.0%	19.3%	30.0%	13.8%	15.3%
S&P	1.2%	3.2%	5.7%	11.7%	9.9%	9.9%

Source: Bloomberg, Cboe Global Markets, S&P Dow Jones Indices, American Enterprise Investment Services, Inc. Returns are the forward returns of the S&P 500 Price Return index for each specific period and based on the VIX levels described. Returns are annualized for time periods longer than one year. Data from 1/2/1990 through 03/31/2026. Past performance is not a guarantee of future results.

Stocks usually come back stronger after bear market lows

Tough as it can be to watch bear market declines, there is an upside to down markets. The best days in the market often occur after a bear market ends. Investors who stay the course and follow their investment plan during periods of market volatility are more likely to see long-term benefits in their portfolio returns.

Bear Markets Since 1950 (Total Return)

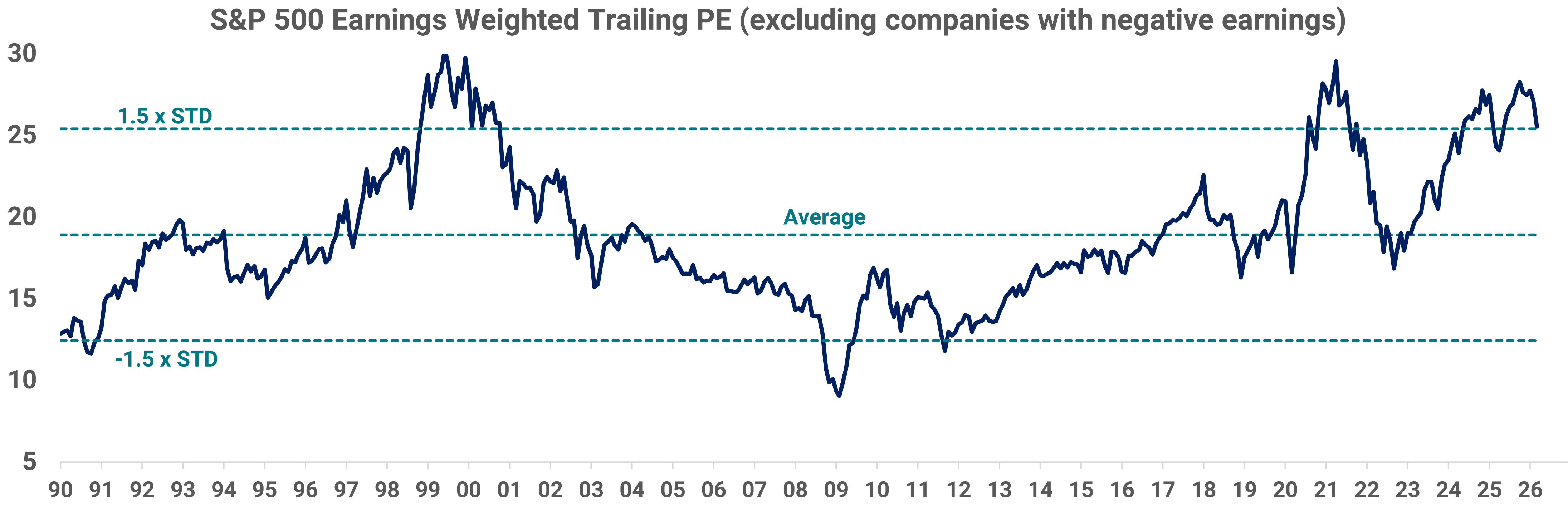
Not Annualized

Market Peak	Market Trough	Market Drawdown	3 months later	6 months later	1 year later	3 years later	5 years later	10 years later	Return needed to Breakeven	Days Peak to Trough	Days Trough to Breakeven	Full Length of Time to Recovery	Recovery Date
8/2/1956	10/22/1957	-21.6	5.7	9.8	31.0	36.8	41.0	144.7	28%	446	337	783	9/24/1958
12/12/1961	6/26/1962	-28.0	7.3	20.5	32.7	58.8	75.2	105.4	39%	196	434	630	9/3/1963
2/9/1966	10/7/1966	-22.2	12.3	22.1	32.9	27.2	36.6	41.4	28%	240	209	449	5/4/1967
12/1/1968	5/26/1970	-36.1	17.2	22.8	43.7	55.8	30.7	59.6	56%	541	650	1191	3/6/1972
1/11/1973	10/3/1974	-48.2	13.5	30.9	38.0	55.3	76.0	160.8	93%	630	2114	2744	7/17/1980
11/30/1980	8/12/1982	-27.1	36.2	44.1	58.3	83.2	224.5	307.9	37%	620	83	703	11/3/1982
8/25/1987	12/4/1987	-33.5	19.4	19.0	21.4	45.7	93.0	334.6	50%	101	600	701	7/26/1989
3/26/2000	10/9/2002	-49.1	19.4	11.5	33.7	54.0	101.5	85.6	97%	927	1694	2621	5/30/2007
10/9/2007	3/9/2009	-56.8	39.3	52.7	68.6	102.6	177.6	305.5	131%	517	1480	1997	3/28/2013
2/19/2020	3/23/2020	-33.9	40.0	44.7	74.8	76.5	153.3	??	51%	33	148	181	8/18/2020
1/3/2022	10/12/2022	-25.4	11.4	14.4	21.6	83.2	??	??	34%	282	464	746	1/19/2024
Average		**-34.7**	**20.2**	**26.6**	**41.5**	**61.7**	**100.9**	**171.7**	**59%**	**412**	**747**	**1159**	

Source: Bloomberg, S&P Dow Jones Indices, American Enterprise Investment Services, Inc. Bear markets defined by a drop of 20% or more from market peak to market trough based on S&P 500 Price Return Index. Index must have recovered completely (closed above previous peak) before a new bear market can begin.
Data as of 03/31/2026

Valuations in Historical Perspectives

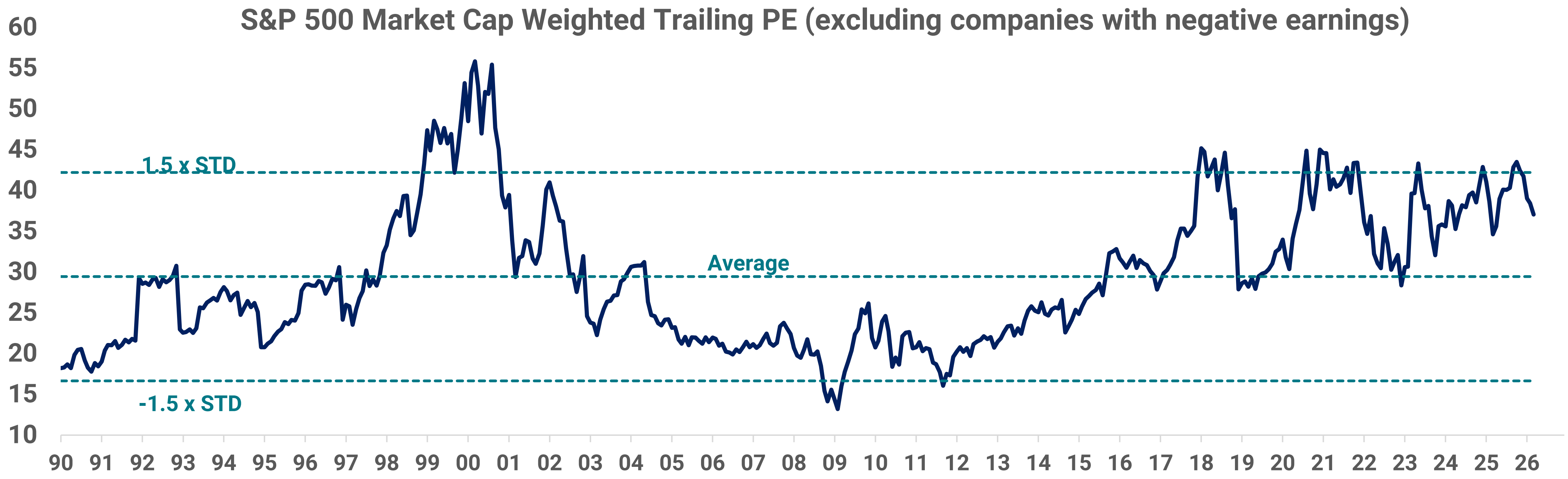
The commonly cited P/E ratio for indices like the S&P 500 is calculated by dividing the aggregate market capitalization of all constituent stocks by their total net income. This method effectively weights each company's P/E by its net income. The current S&P 500 P/E stands is elevated relative to history, at 25.6, but is down from a recent peak of 28.3.



Source: FactSet, S&P Dow Jones Indices, American Enterprise Investment Services, Inc.
Data as of 03/31/2026

Valuations in Historical Perspectives

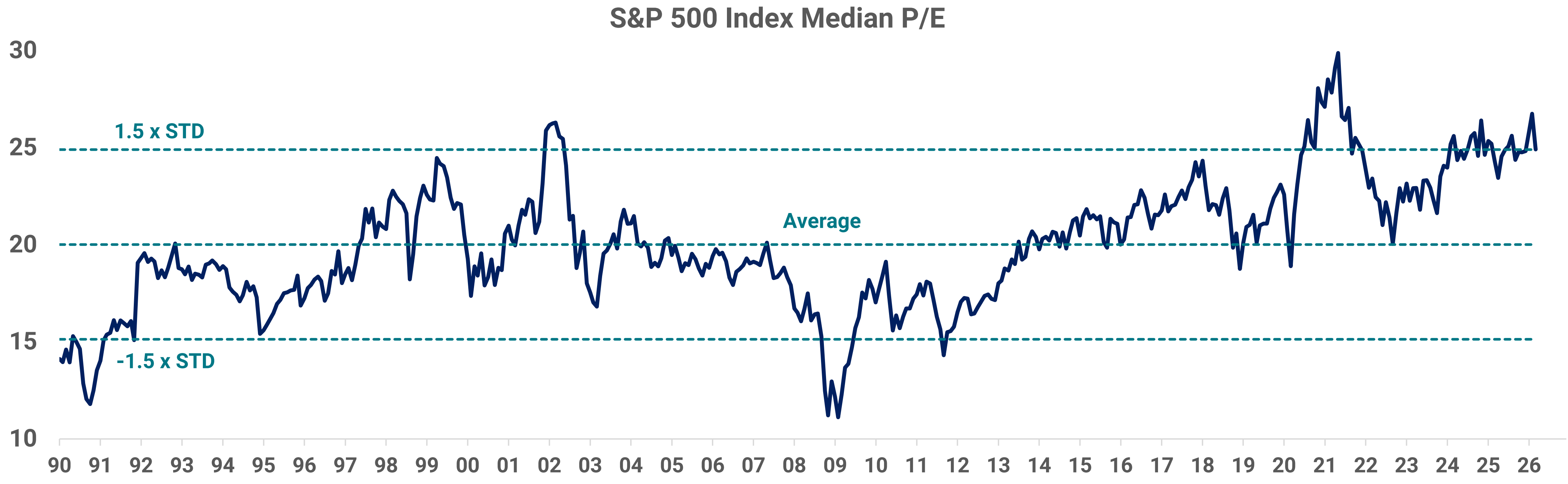
However, there are other ways to evaluate P/E ratios across a group of stocks — for instance, using market-cap-weighted P/Es. This approach currently yields a P/E ratio of 37, which is down from the peak of 43.5 reached in October last year. Companies with negative earnings are excluded.



Source: FactSet, S&P Dow Jones Indices, American Enterprise Investment Services, Inc.
Data as of 03/31/2026

Valuations in Historical Perspectives

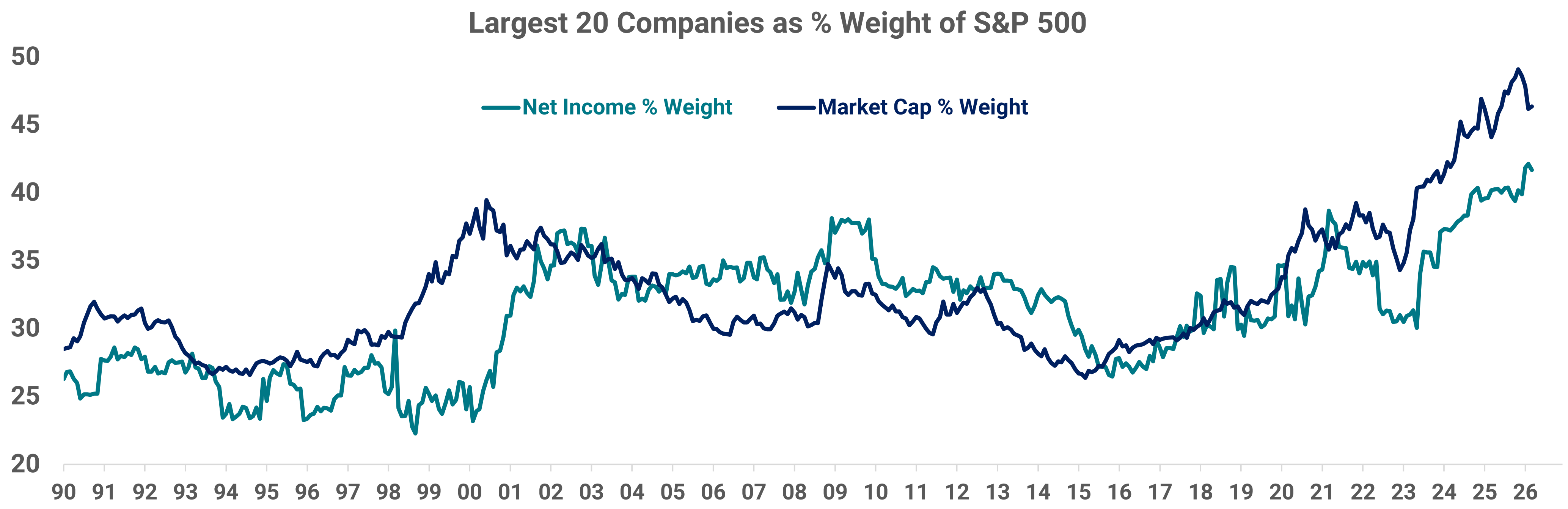
Nevertheless, the valuation of average stocks, as measured by the median price-to-earnings (P/E) ratio across all S&P 500 constituents, remains elevated relative to historical trends.



Source: FactSet, S&P Dow Jones Indices, American Enterprise Investment Services, Inc.
Data as of 03/31/2026

Market Is More Concentrated

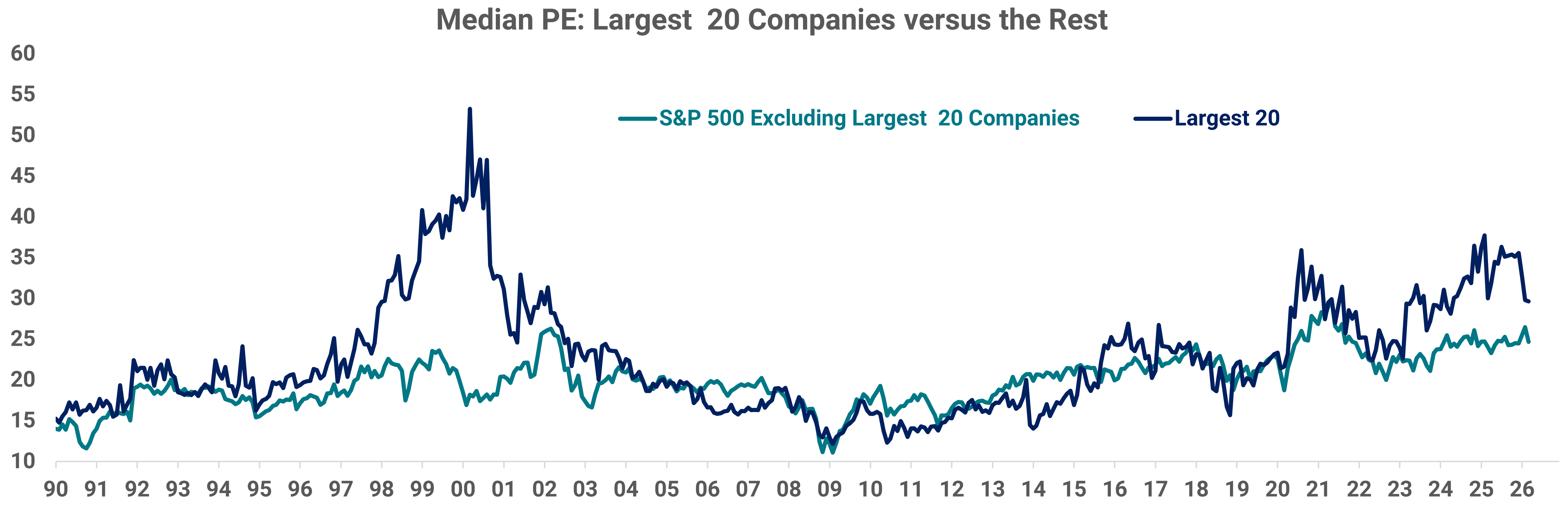
A defining feature of the current market rally is its concentration among a handful of large-cap companies, a trend that continues to gain momentum. Collectively, the largest 20 companies now represent 46% of the total market capitalization of the S&P 500 (down from 49% last quarter) and generate approximately 42% of the index's aggregate net income (up from 40%).



Source: FactSet, S&P Dow Jones Indices, American Enterprise Investment Services, Inc.
Data as of 03/31/2026

Valuations in Historical Perspectives

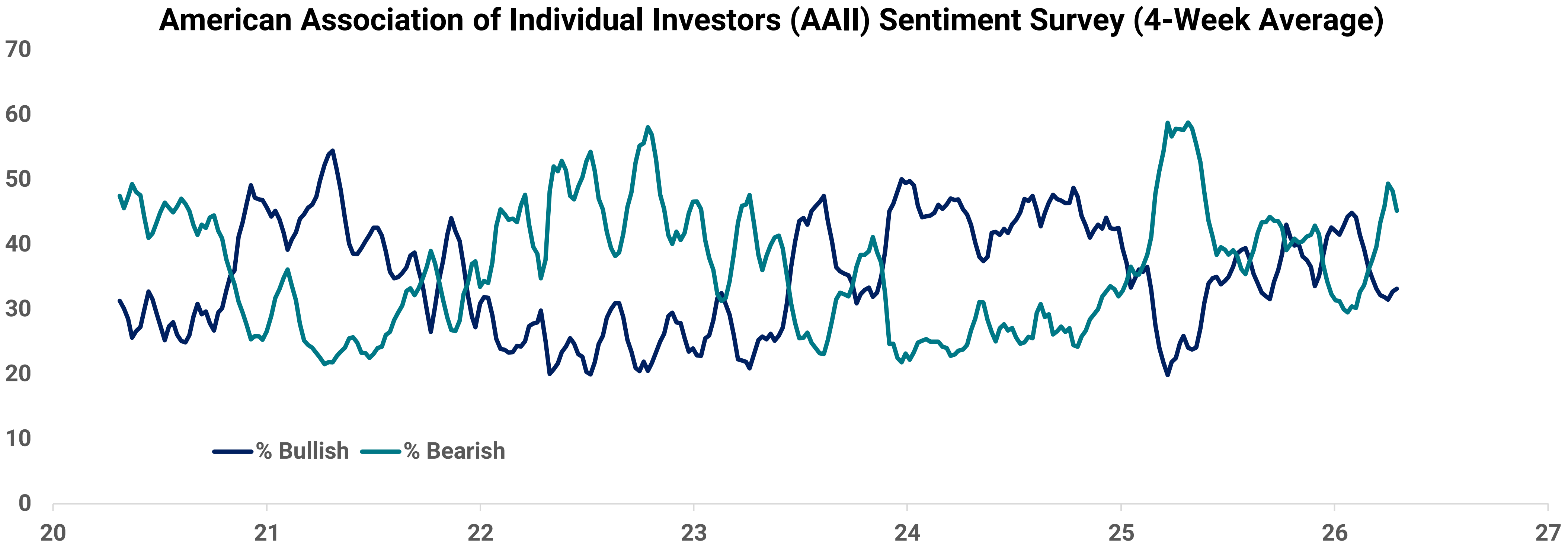
The valuation gap between the largest 20 companies in the S&P 500 and the rest of the index has narrowed significantly in the first quarter of 2026. The current median P/E of the top 20 companies is 26.6, well below the 2000 peak of 54.



Source: FactSet, S&P Dow Jones Indices, American Enterprise Investment Services, Inc.
Data as of 03/31/2026

More Individual Investors Turned Bullish

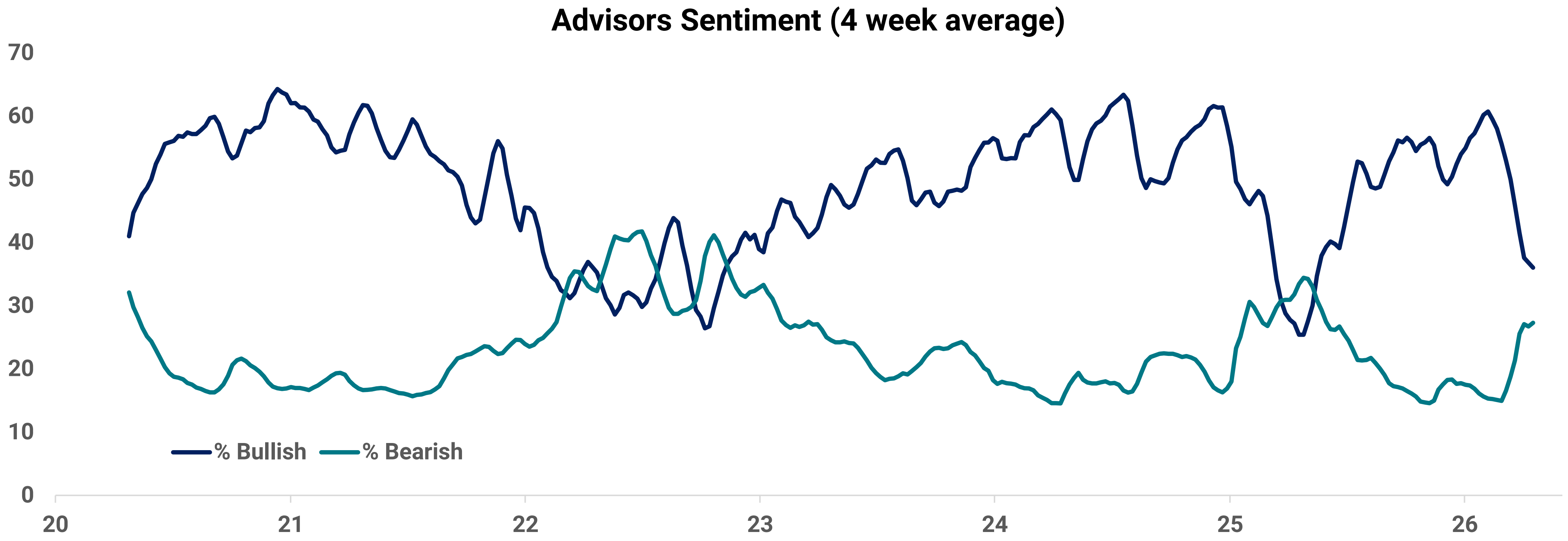
The AAII Investor Bullish Sentiment indicator declined in the first quarter of 2026, and the rolling 4-week average reading is now 33% as of April 17th. A higher proportion of investors are feeling bearish than bullish.



Sources: Bloomberg, AAII, Standard and Poor's, American Enterprise Investment Services, Inc. American Association of Individual Investors (AAII) reflects the sentiment of individual investors towards the stock market over the next 6 months. Investor Sentiment smoothed using a 4-week average. Data as of 04/17/2026.

Investment Advisors' Sentiment Bullish

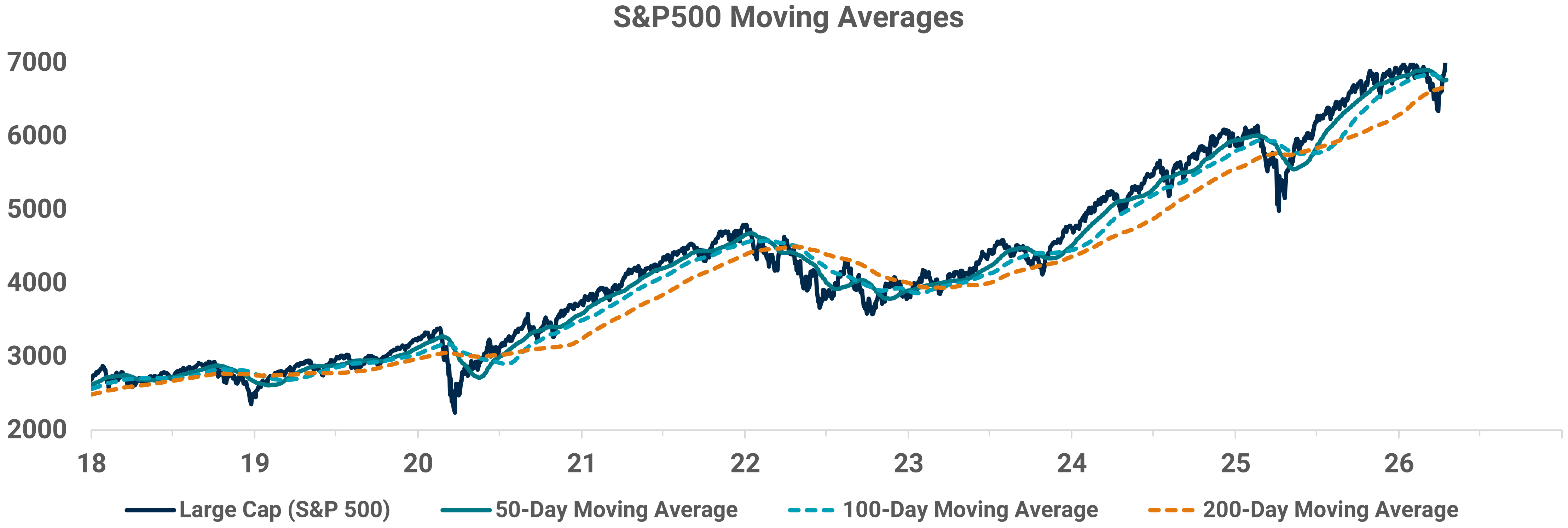
While the AAII Investor Sentiment Survey focuses on retail investors, the Investors Intelligence Advisors' Sentiment Report analyzes the market views of professional investment advisors. The Bullish Sentiment indicator has declined, and now the bullish reading is 36%, versus a bearish reading of 27%.



Sources: FactSet, Investors Intelligence, American Enterprise Investment Services, Inc. The Investors Intelligence Advisors Sentiment Report analyzes the market views of professional investment advisors. Investor Sentiment smoothed using a 4-week average. Data as of 04/17/2026.

S&P 500 Moving Averages recover from Momentum Reversal

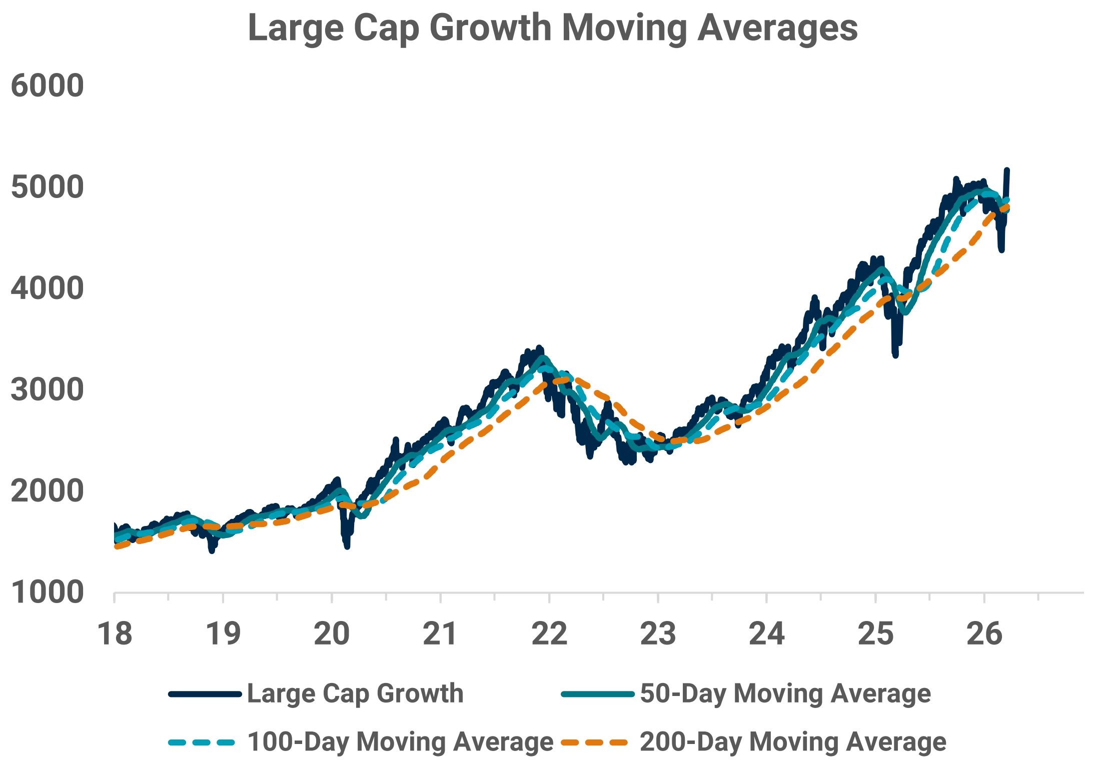
The momentum reversal down in March and the subsequent sharp recovery resulted in the price line passing above all three moving averages. While both the 50-Day and 100-Day moving averages declined, they stayed above the 200-Day Moving average.

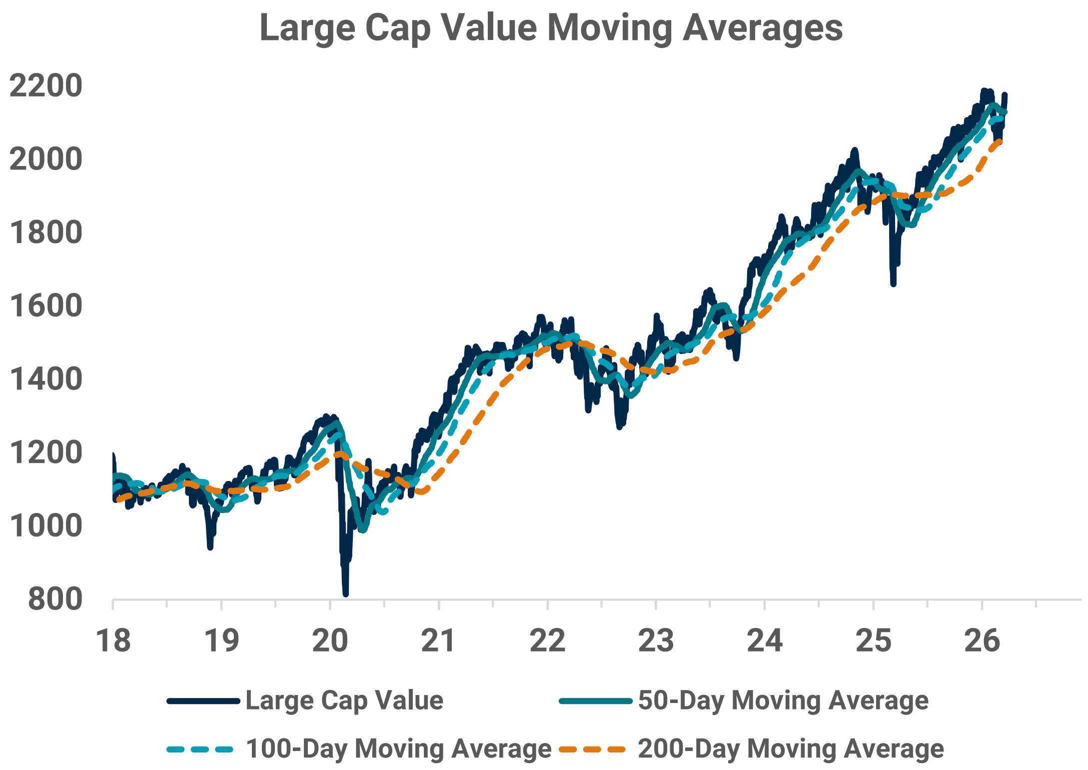


Sources: FactSet, S&P Dow Jones Indices, American Enterprise Investment Services, Inc.
Data as of 04/17/2026.

Stronger Recovery Is Seen Among Growth

While both Large Cap Growth companies and Large Cap Value companies show similar momentum pattern as the overall market, Large Cap Growth Companies bounced back stronger. Nevertheless, investors would pay attention if the 50-Day and 100-Day moving averages cross the 200-Day Average on the downside. It's very close as of April 17th.

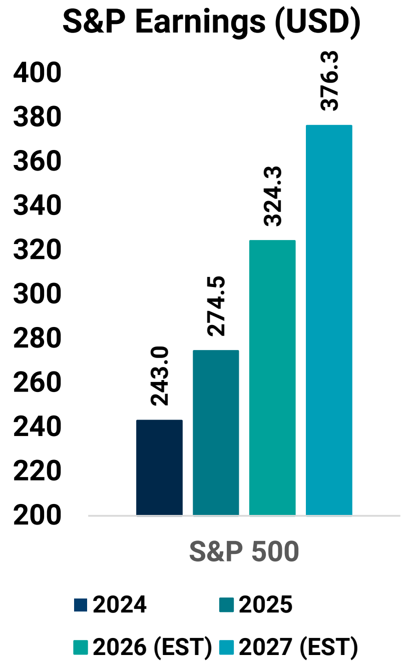


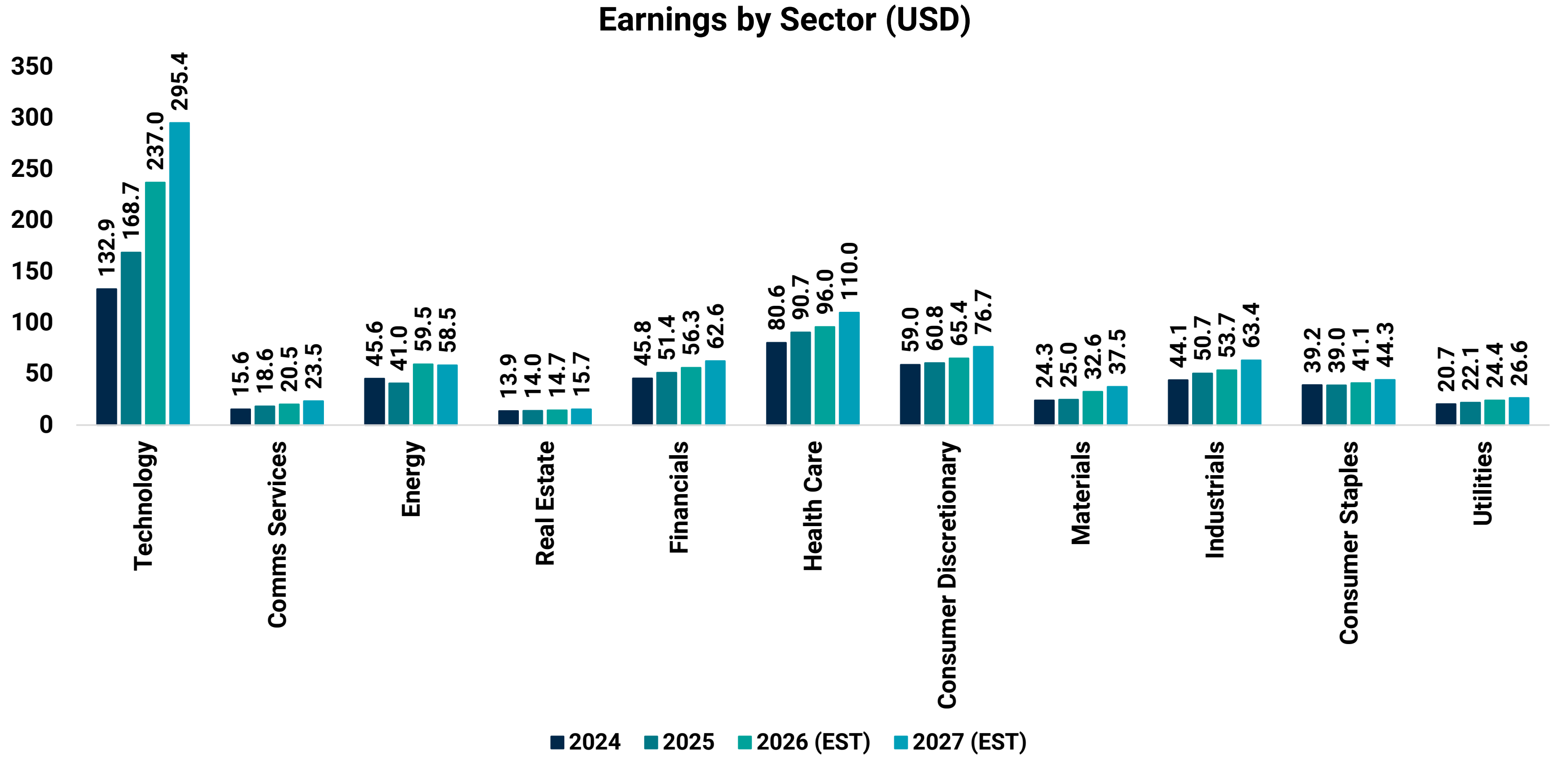


Sources: FactSet, S&P Dow Jones Indices, American Enterprise Investment Services, Inc.
Data as of 04/17/2026.

Sector Earnings

Despite the stock market volatility, Analysts have revised their corporate earnings growth forecasts upward for 2026, with large-cap companies now expected to post a 18% year-over-year increase (up from a forecasted 15% growth a quarter ago). This marks an improvement from the 13% growth rate in 2025. While all sectors are expected to grow in 2026, Information Technology and Energy lead with growth expectations at 41% and 45%, respectively.

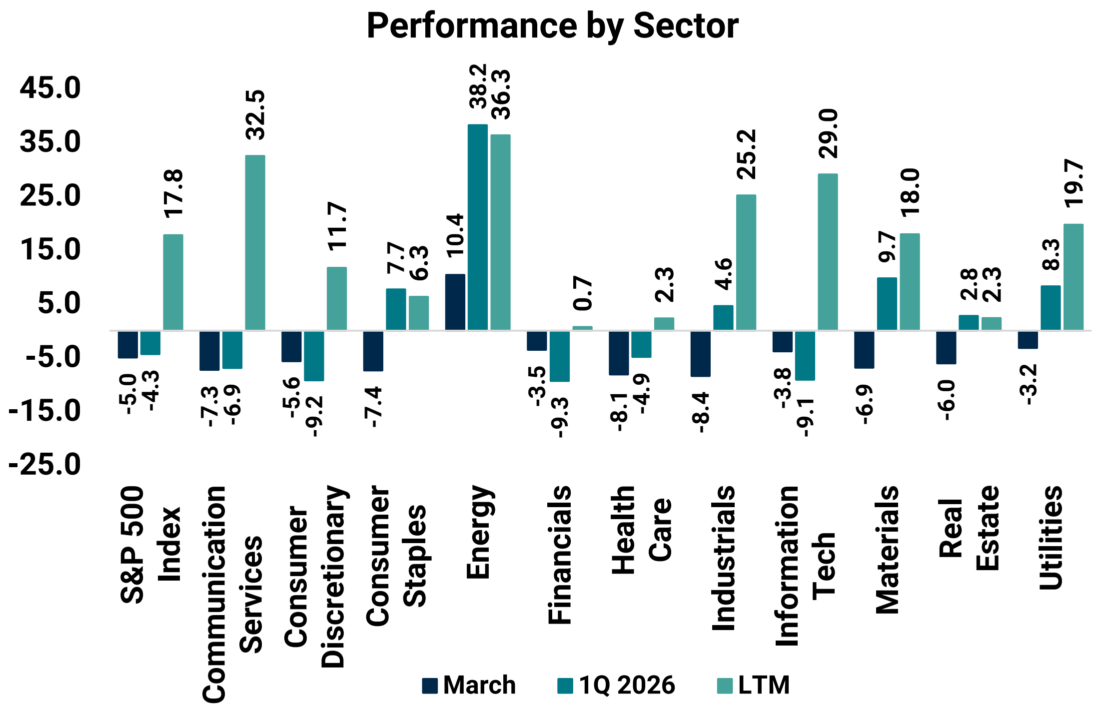


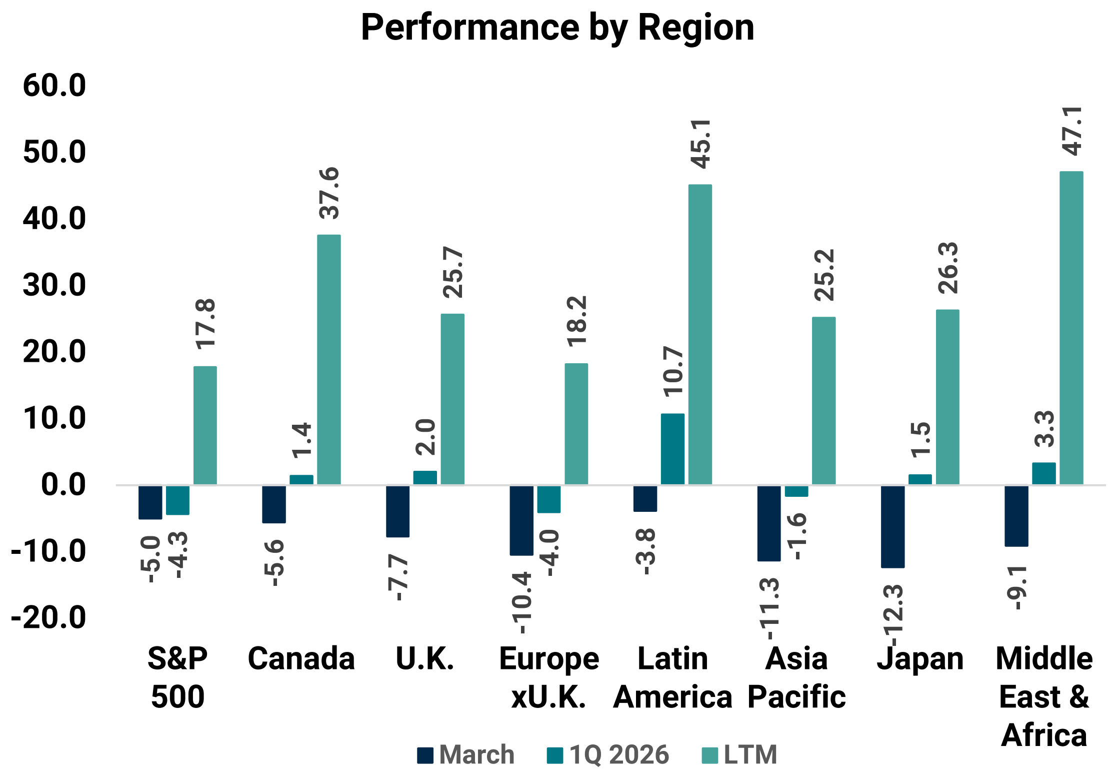


Sources: FactSet, American Enterprise Investment Services, Inc.
Sector earnings figures do not sum to S&P earnings due to index weighting methodology. Data as of 04/17/2026

Trailing Returns

Amid geopolitical tensions in the Middle East region, Energy was up 38% in Q1, leading the second-best performing sector (Materials) by 2850 basis points. The regions that are more dependent on the energy exported from the Middle East lag behind other regions/countries.

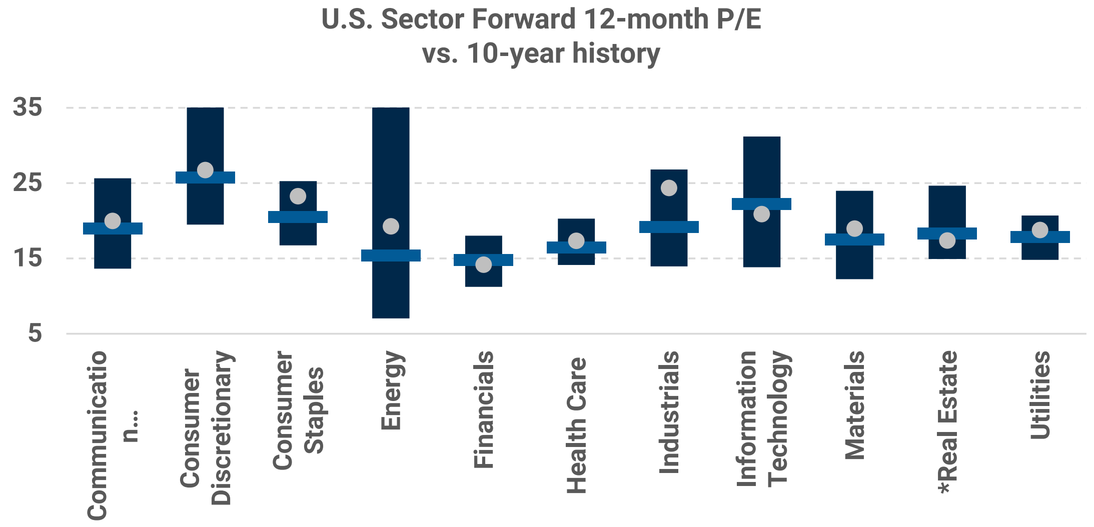


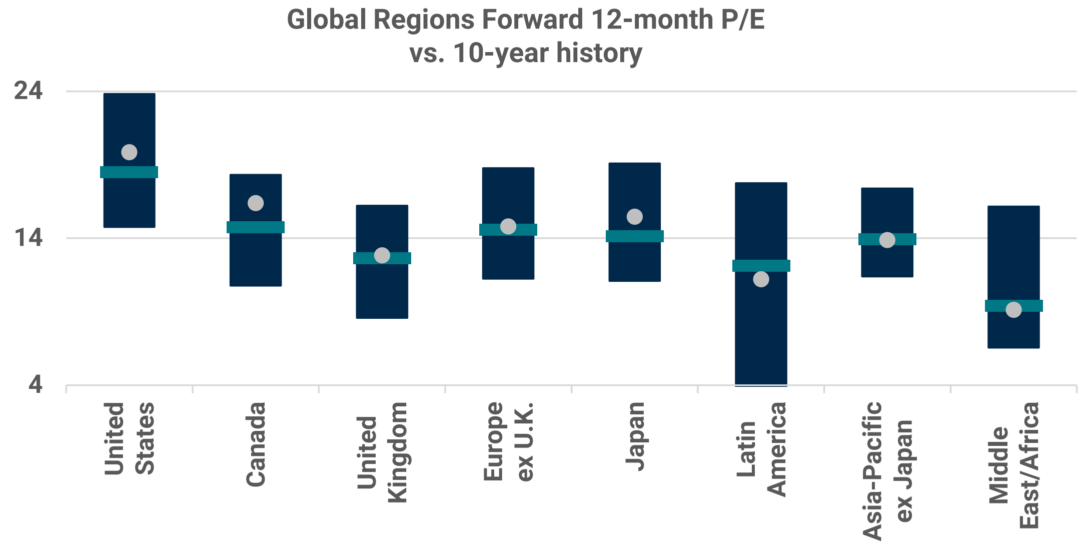


Sources: FactSet, S&P Dow Jones Indices, MSCI, American Enterprise Investment Services, Inc.
Data as of 03/31/2026

Sector and Regional Valuations

The market movement in Q1 shifted Energy, Consumer Staples and Industrials to the more expensive territory compared to their 10-year forward P/E medians in the U.S. Most regions are still trading at and above 10-year medians.





10-Year Median
Current

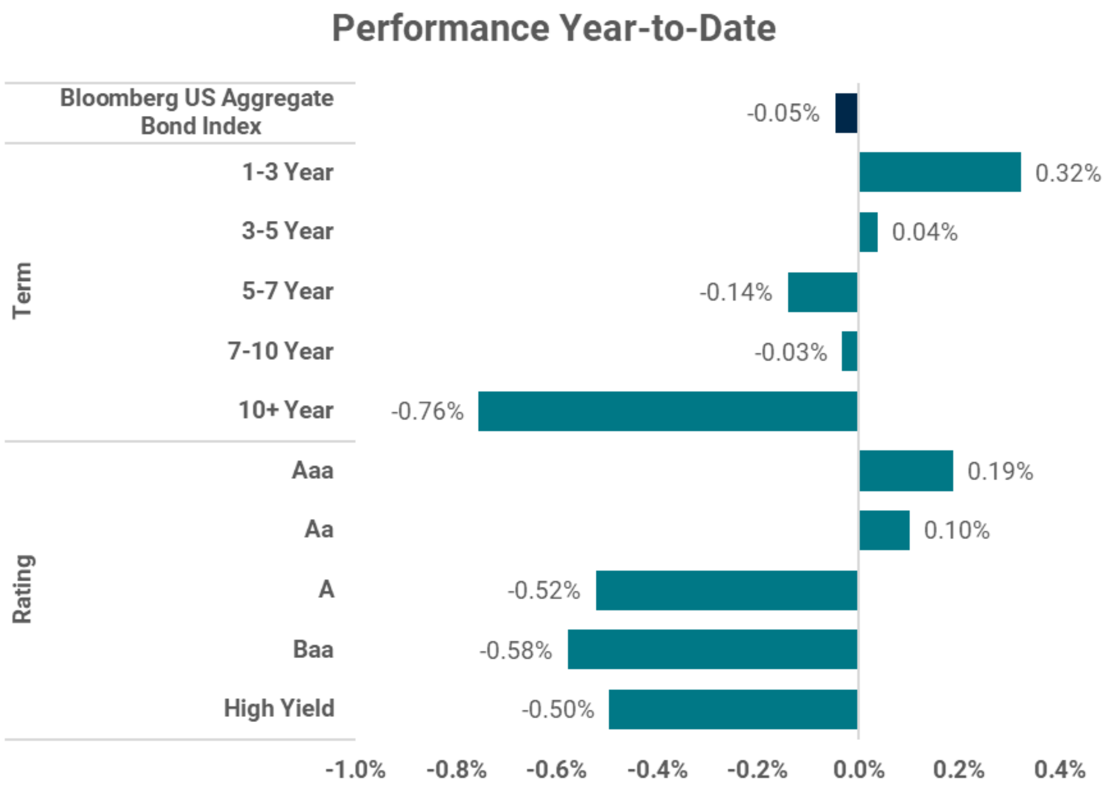
Sources: FactSet, MSCI, S&P Dow Jones Indices, American Enterprise Investment Services, Inc.
*Real Estate sector data begins 09/30/2016. Data as of 03/31/2026.

Fixed Income

Aggregate Bond Performance

U.S. Stocks finished down in the first quarter (but have since recovered), while Bonds posted a flat return. Within the Bloomberg U.S. Aggregate Bond Index, short maturities outperformed longer issues, and higher credit quality outperformed lower.

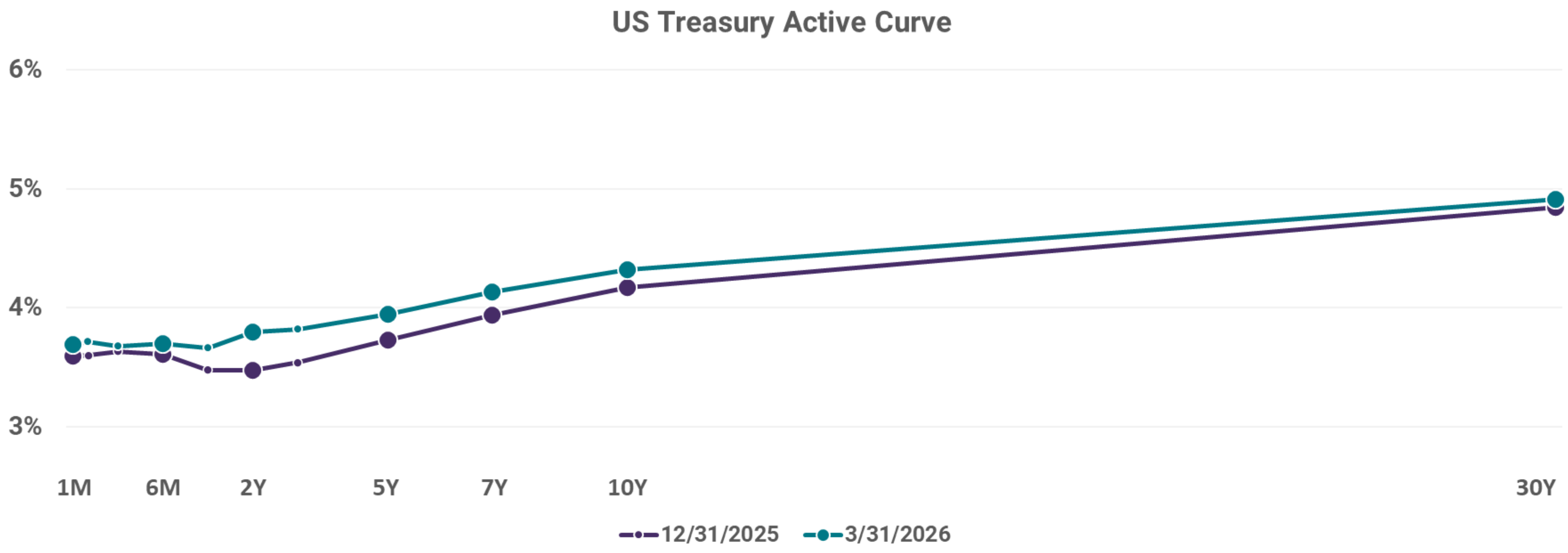
Year	Stocks	Bonds	Year	Stocks	Bonds
2026	-4.3%	0.0%	2009	26.5%	5.9%
2025	17.9%	7.3%	2008	-37.0%	5.2%
2024	25.0%	1.3%	2007	5.5%	7.0%
2023	26.3%	5.5%	2006	15.8%	4.3%
2022	-18.1%	-13.0%	2005	4.9%	2.4%
2021	28.7%	-1.5%	2004	10.9%	4.3%
2020	18.4%	7.5%	2003	28.7%	4.1%
2019	31.5%	8.7%	2002	-22.1%	10.3%
2018	-4.4%	0.0%	2001	-11.9%	8.4%
2017	21.8%	3.5%	2000	-9.1%	11.6%
2016	12.0%	2.6%	1999	21.0%	-0.8%
2015	1.4%	0.5%	1998	28.6%	8.7%
2014	13.7%	6.0%	1997	33.4%	9.7%
2013	32.4%	-2.0%	1996	23.0%	3.6%
2012	16.0%	4.2%	1995	37.6%	18.5%
2011	2.1%	7.8%	1994	1.3%	-2.9%
2010	15.1%	6.5%	1993	10.1%	9.7%



Sources: Bloomberg, S&P Dow Jones Indices, American Enterprise Investment Services, Inc. Left Chart: Stocks represented by the S&P 500 Total Return Index, Bonds represented by the Bloomberg Barclays U.S. Aggregate Bond Total Return Index. Right Chart: Component returns from the Bloomberg U.S. Aggregate Bond Total Return Index. Data as of 03/31/2026.

Yield Curve Steepens as Fed Lowers Rates

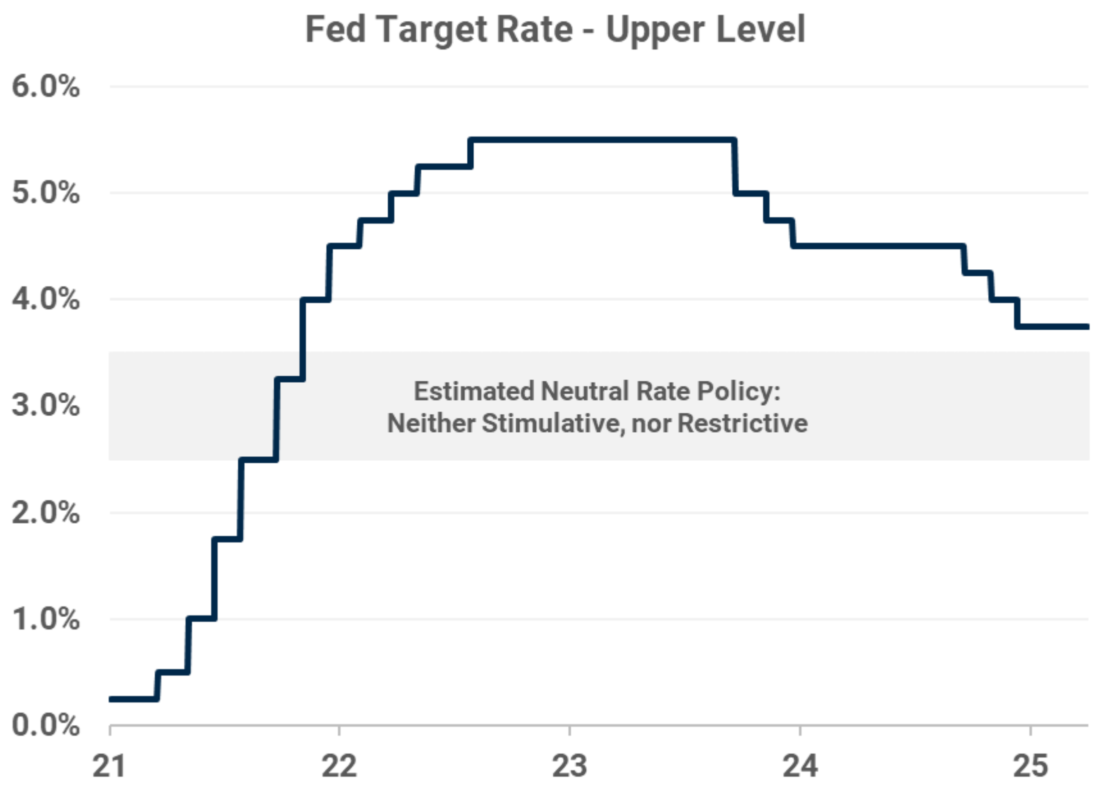
With energy prices lifting inflation concerns, traders reduced their expectations of Fed cuts this year and the yield curve flattened.

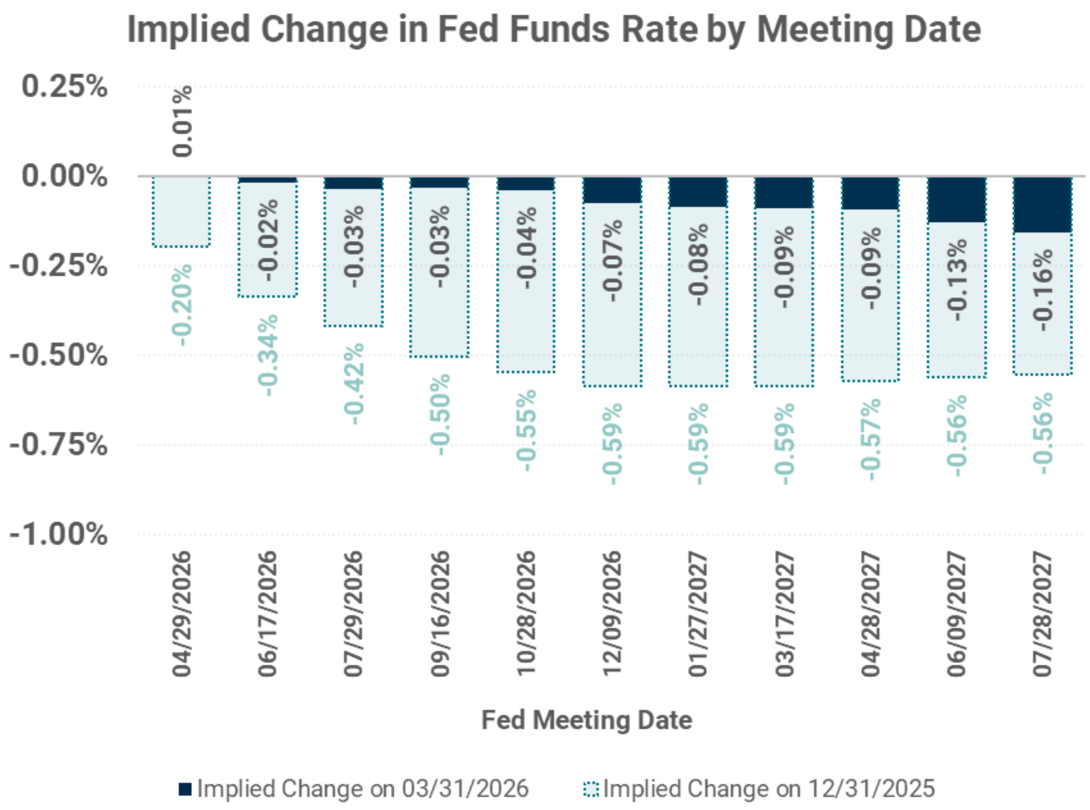


Sources: Bloomberg, American Enterprise Investment Services, Inc.
Data as of 03/31/2026.

Yield Curve Steepens on Inflation and Fed

With 175 basis points of rate cuts from September 2024 peak rates, Fed policy likely continues lower this year, but maybe not to the extent that was expected heading into 2026.

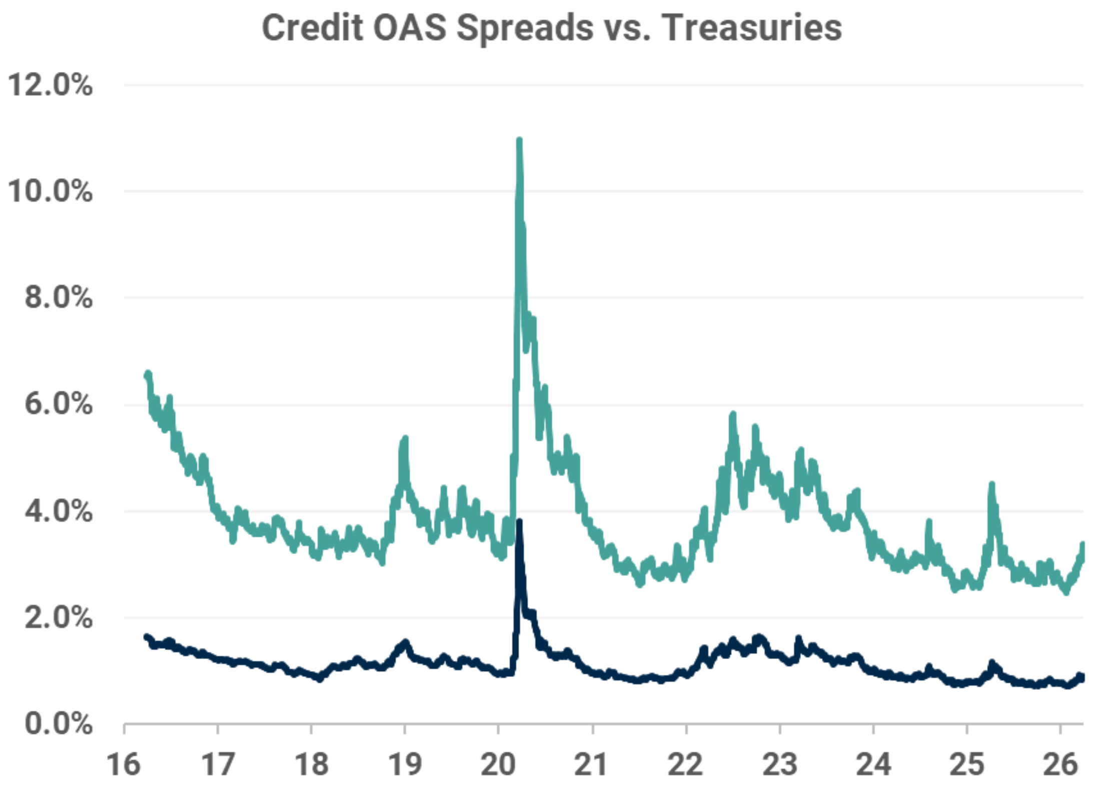




Sources: Bloomberg, American Enterprise Investment Services, Inc.
Data as of 03/31/2026.

Healthy Yields in Fixed Income

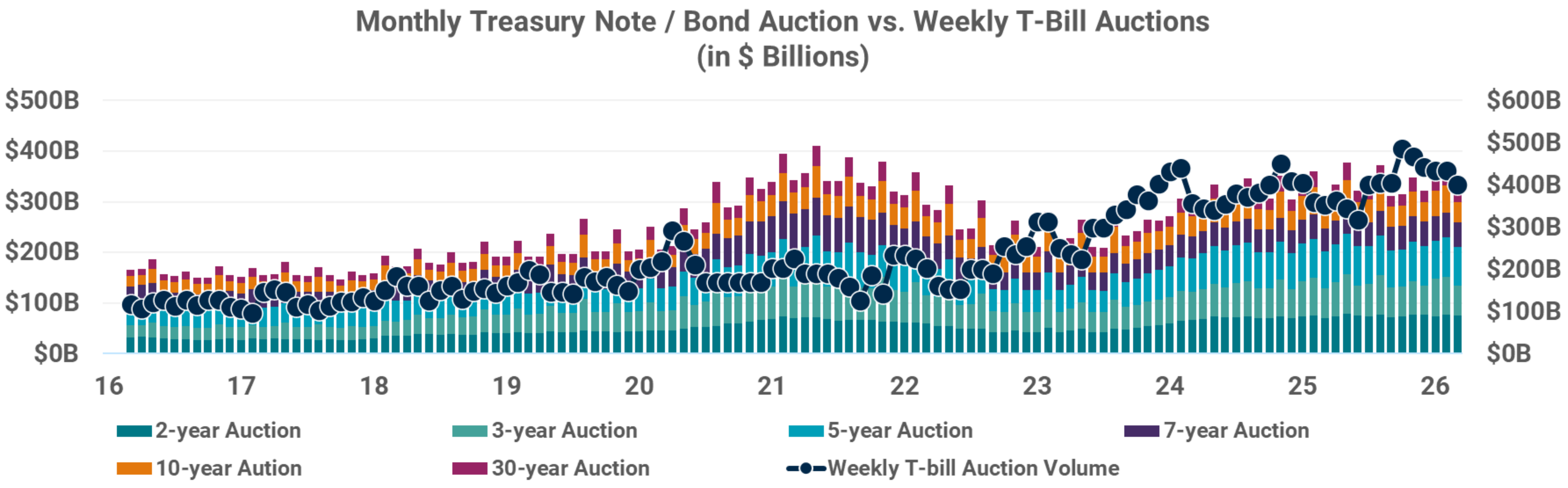
Yields across sectors sit above the 10-year average. Investment Grade bond spreads vs. Treasuries reached their narrowest level this century in early January, riding a strong wave of corporate cash flow.



Sources: Bloomberg, American Enterprise Investment Services, Inc.
Data as of 03/31/2026.

Bond Auctions

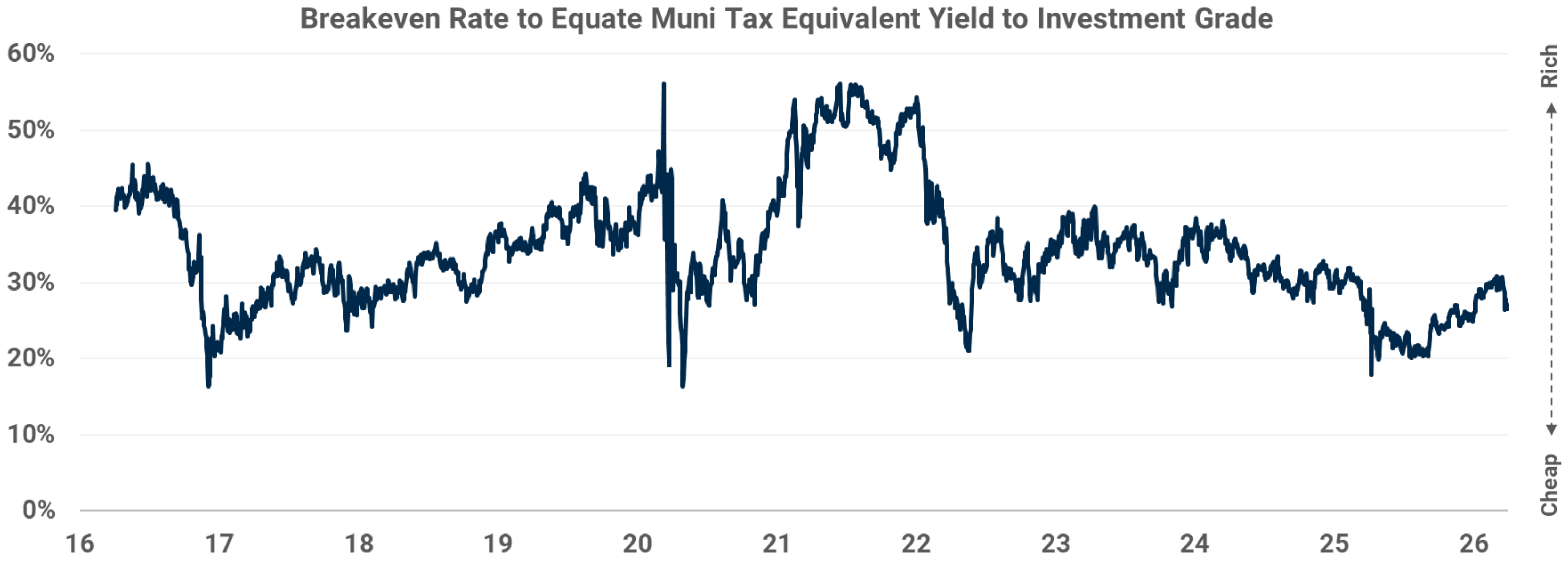
The U.S. Treasury shifted from longer-term borrowings (notes and bonds) in 2020-2021 and pivoted to shorter-term (T-bills) in 2023 as demand for cash investments soared. Today, the Treasury has refocused on longer-term issuance, based on the amount of borrowing needed, but with short-term rates falling, it may be tempting to grow T-bill auctions to lower borrowing costs.



Sources: Bloomberg, American Enterprise Investment Services, Inc.
Data as of 03/31/2026.

Tax-Exempt Municipal Bonds

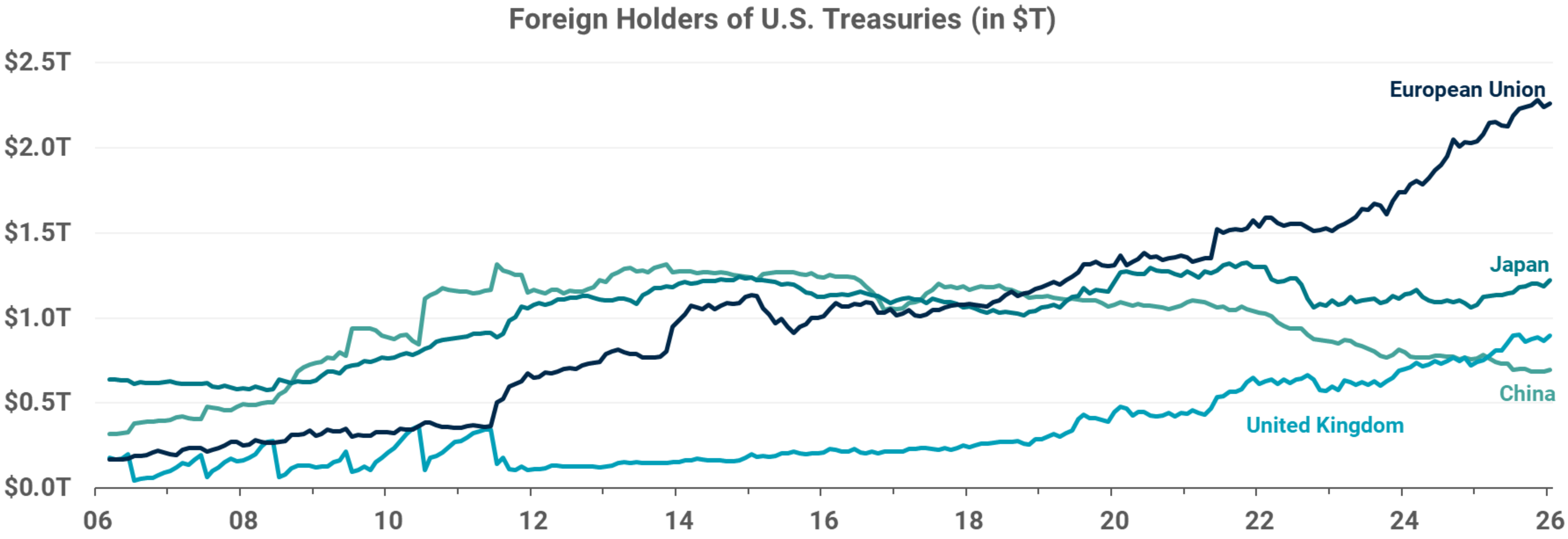
Municipal bonds can be an excellent match for affluent investors looking for income or steady returns in non-qualified accounts. We also look at the implied breakeven tax rate between yields on municipal and investment-grade bonds to suggest whether the sector is particularly rich or cheap.



Sources: Bloomberg, American Enterprise Investment Services, Inc.
Represents the marginal tax rate needed to equate the Tax Equivalent Yield of the Bloomberg Municipal Bond Index to the Yield from the Bloomberg US Corporate Bond Index
Data as of 03/31/2026

Holders of U.S. Treasuries

The game of musical chairs for the largest funders of U.S. indebtedness continues to evolve as the axis forms between Russia, China, and North Korea against the U.S. and its current allies. The European Union and the United Kingdom are helping to offset a decline in China's holdings of U.S. Treasuries, with the U.K. passing China's holdings in early 2025.

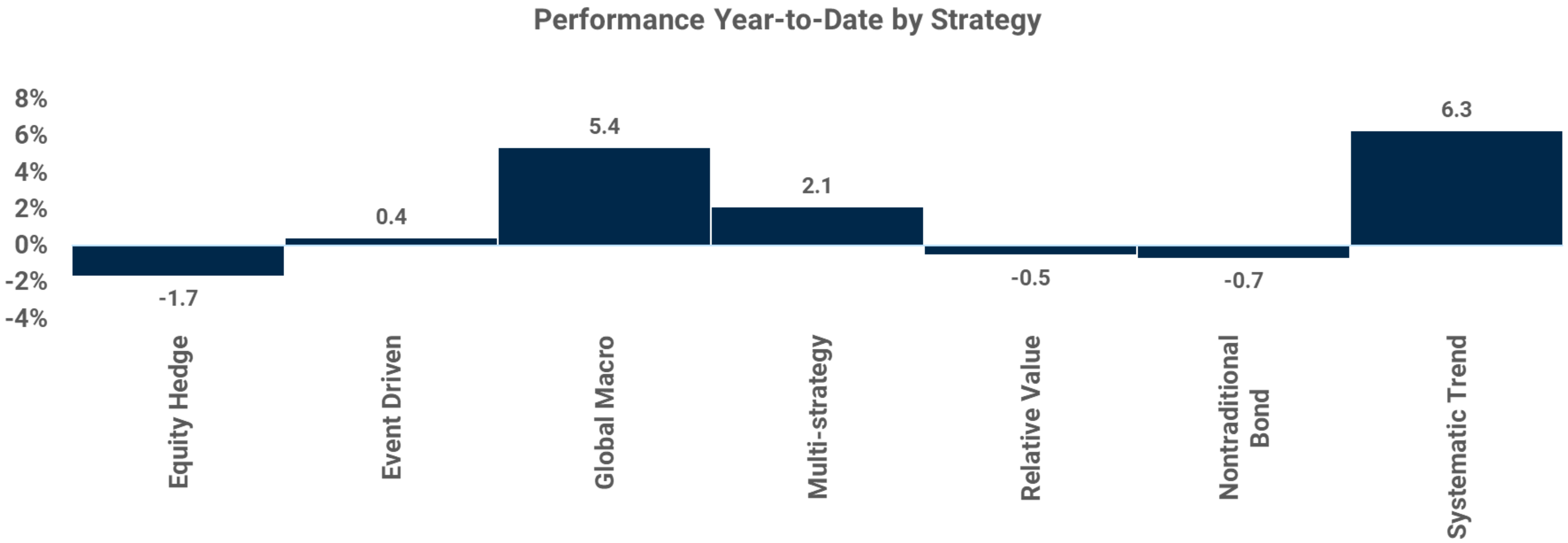


Sources: Bloomberg, U.S. Treasury, American Enterprise Investment Services, Inc.
Data as of 03/31/2026.

Alternatives / Other

Alternative Strategies

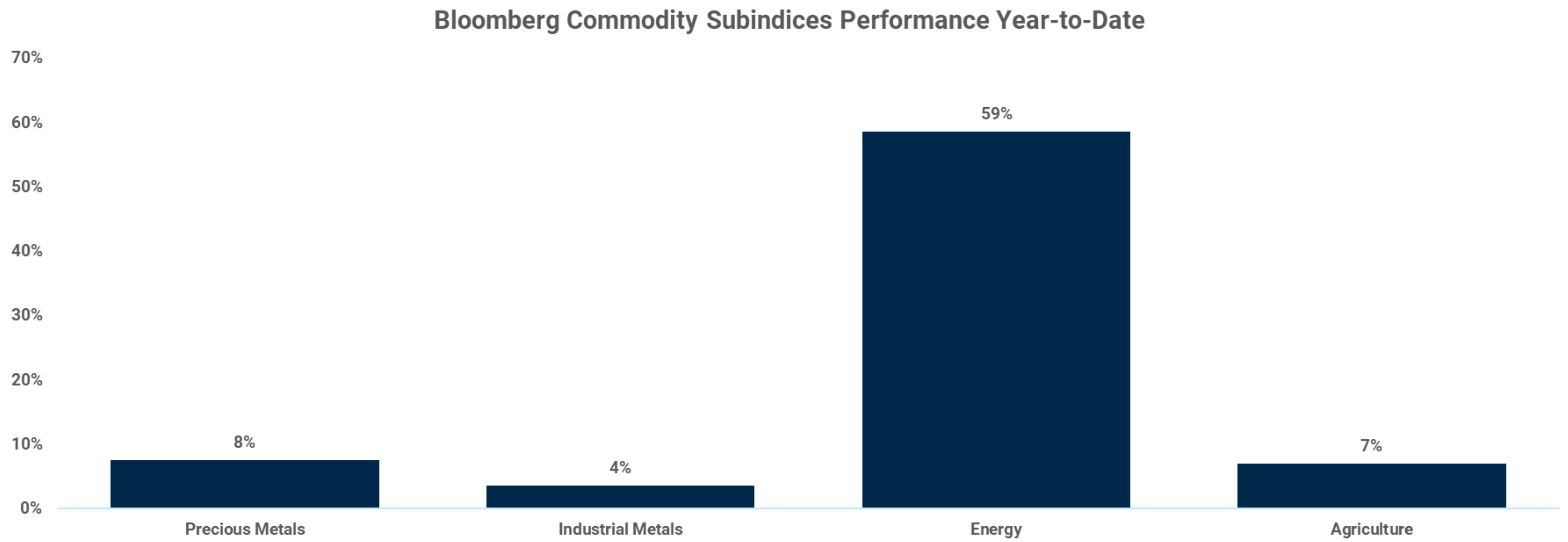
Liquid Alternative strategies delivered mixed results in the first quarter, with Systematic Trend and Global Macro strategies, both able to allocate to commodities, leading the way.



Sources: Morningstar, American Enterprise Investment Services, Inc.
Data as of 03/31/2026.

Precious Metals

The Bloomberg Commodity Index is up 24% year-to-date, with returns driven by a combination of geopolitical disruption, inflation sensitivity, and supply constraints. Performance was uneven across the complex, with energy leading gains and other sectors showing more varied outcomes.



Sources: Bloomberg, American Enterprise Investment Services, Inc.
Data as of 03/31/2026.

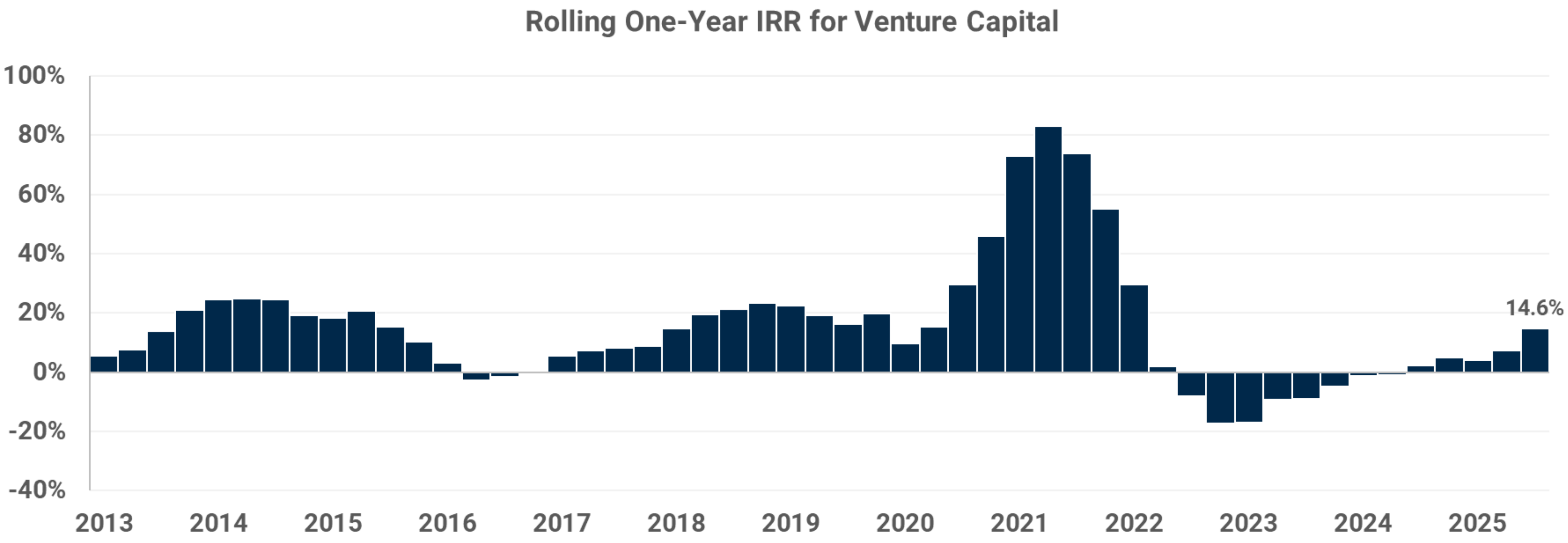
Copper Prices

Copper, which is heavily used in “green” and other technologies, pushed past the psychological barrier of $5/lb late last year and touched $6/lb in the first quarter before backing off. S&P Global speculates that demand for copper could double by 2035, presenting a case for continued support in this commodity.

Sources: Bloomberg, American Enterprise Investment Services, Inc.
Data as of 03/31/2026.

Private Markets – Venture Capital IRR Turning Positive

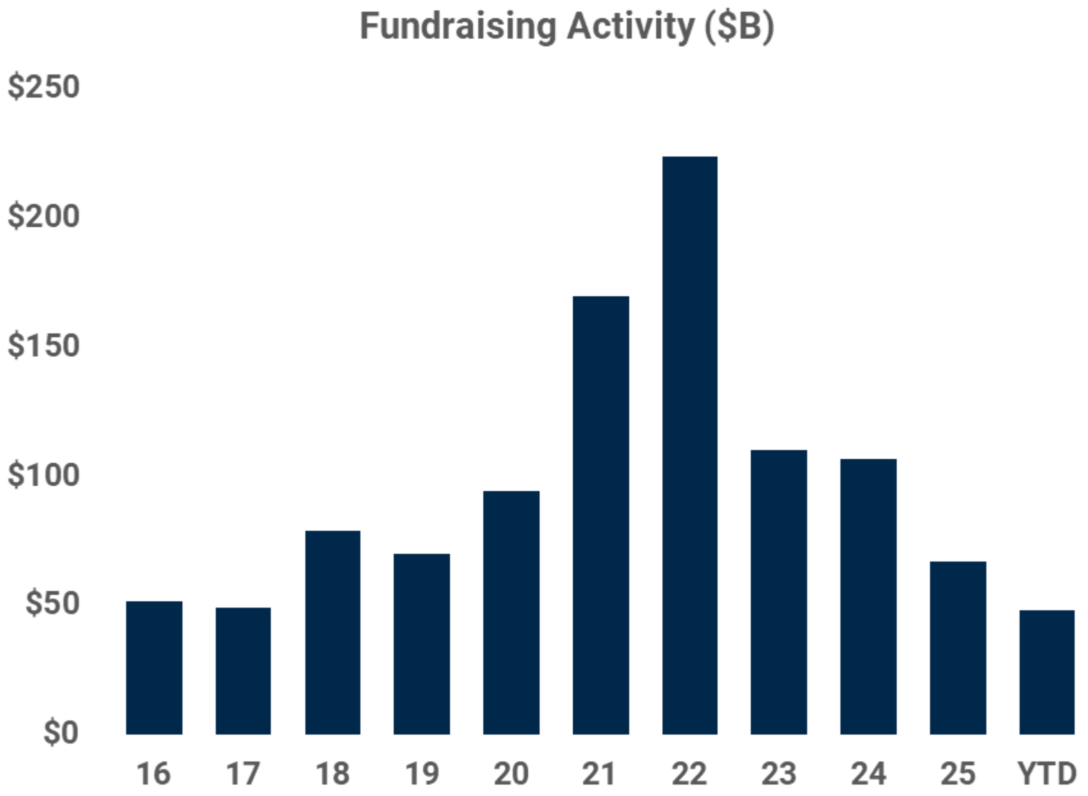
Internal rates of return in venture capital continue to recover and sit at the highest levels since the Fed started lowering rates in 2023.

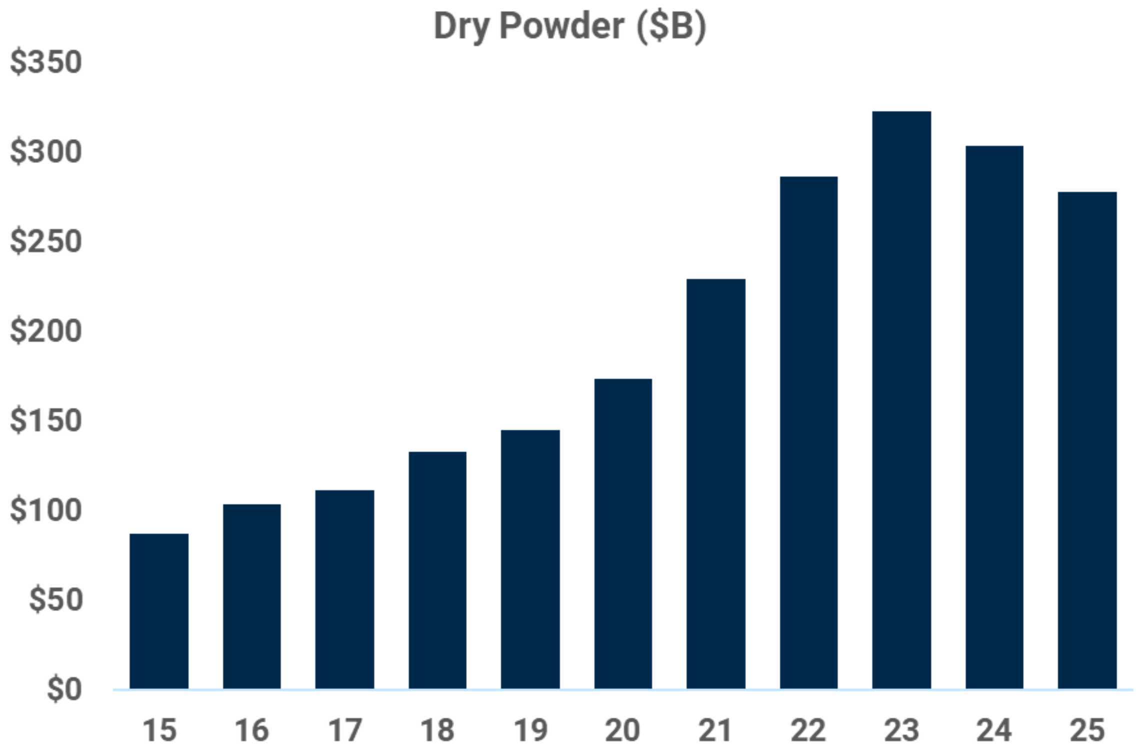


Sources: Pitchbook, National Venture Capital Association, American Enterprise Investment Services, Inc.
Data through 09/30/2025.

Private Markets – Venture Capital Fundraising and Dry Powder

Fundraising activity has slowed materially since 2022 and has returned to pre-pandemic levels. Over the same period, dry powder has declined gradually, falling in both 2024 and 2025 as managers continued to work through elevated capital balances.

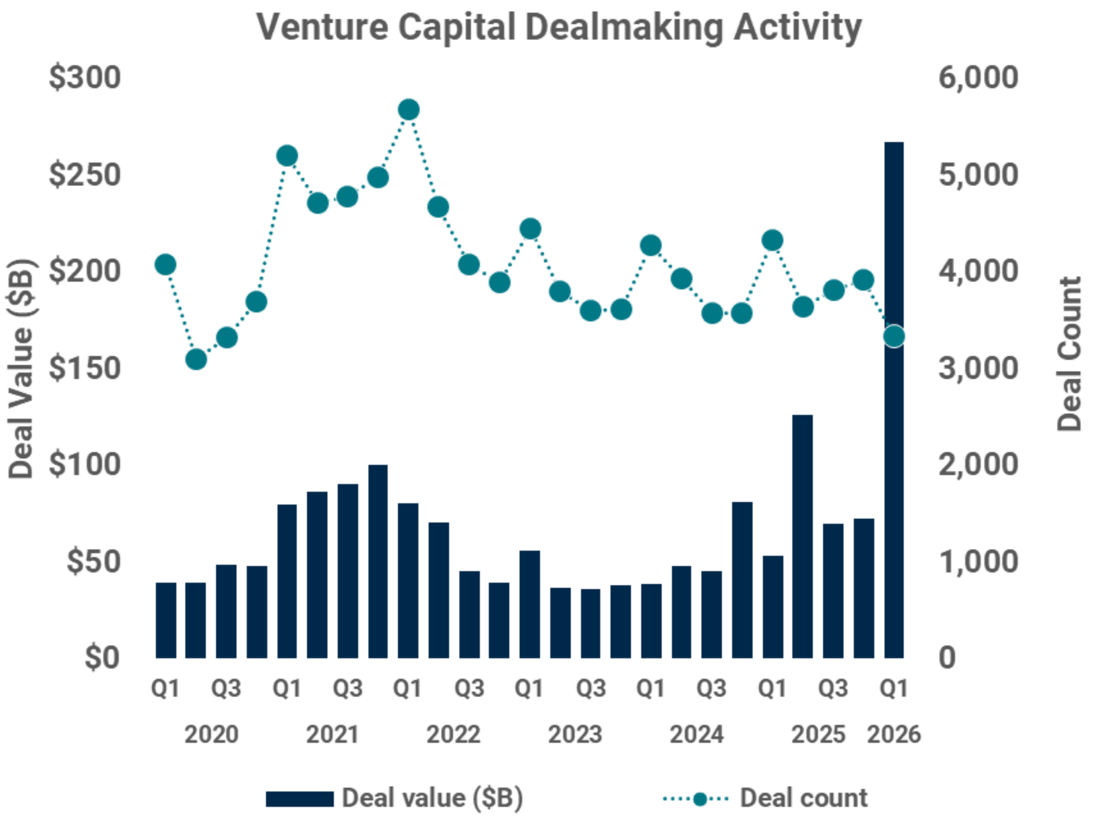


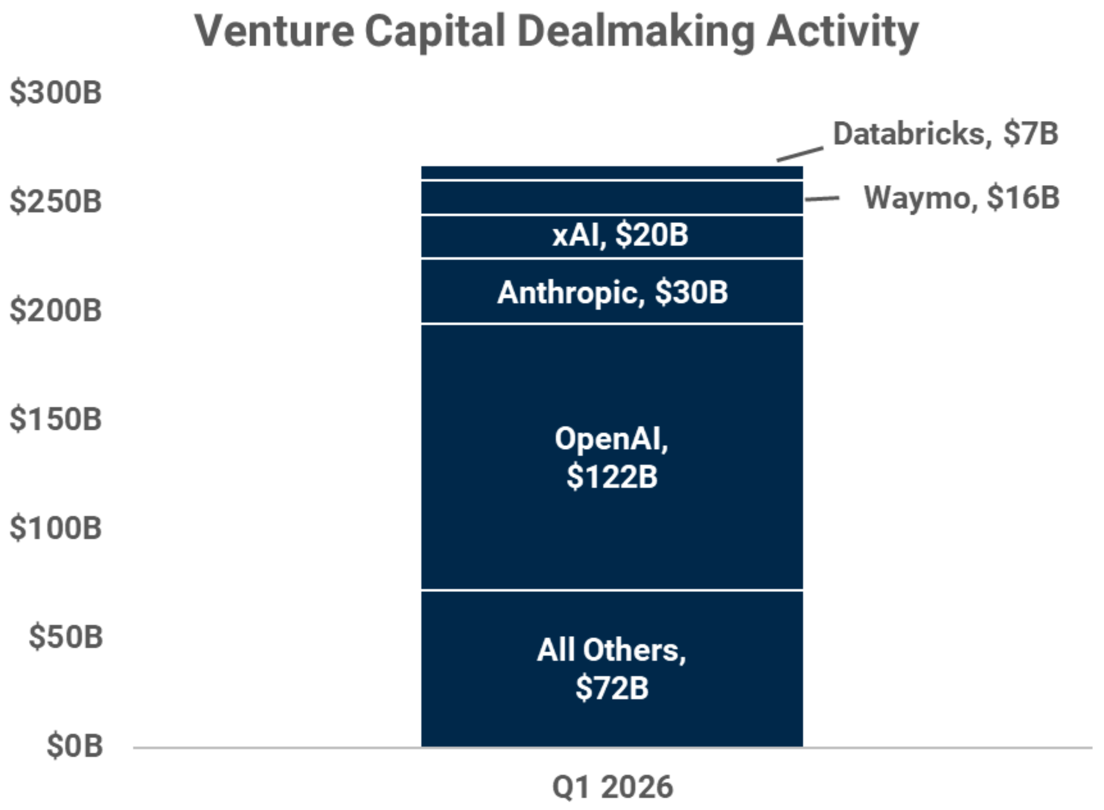


Sources: Pitchbook, National Venture Capital Association, American Enterprise Investment Services, Inc.
Data as of 03/31/2026.

Private Markets – Venture Capital Dealmaking and Exits

The first quarter saw large financing rounds in "Unicorn" technology companies, bringing dealmaking activity to levels multiples above current trends. Dealmaking outside these transactions was meaningfully lower, highlighting the concentration of activity at the top end of the market.

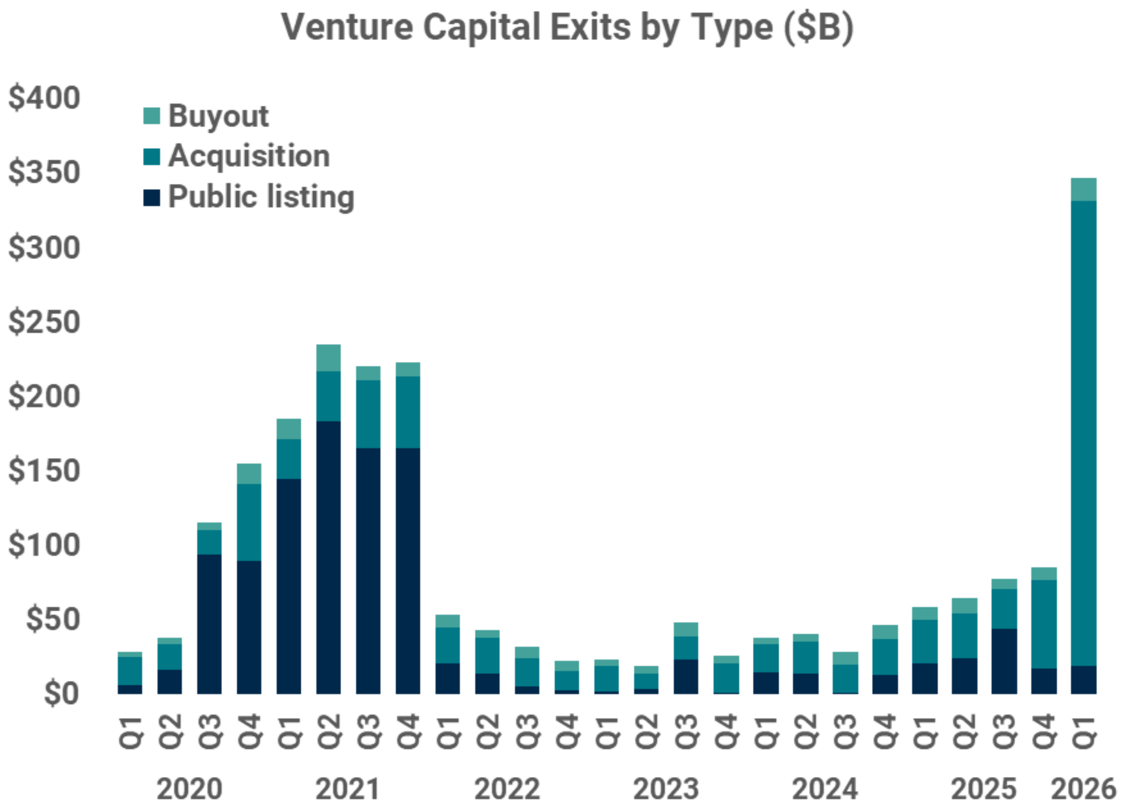


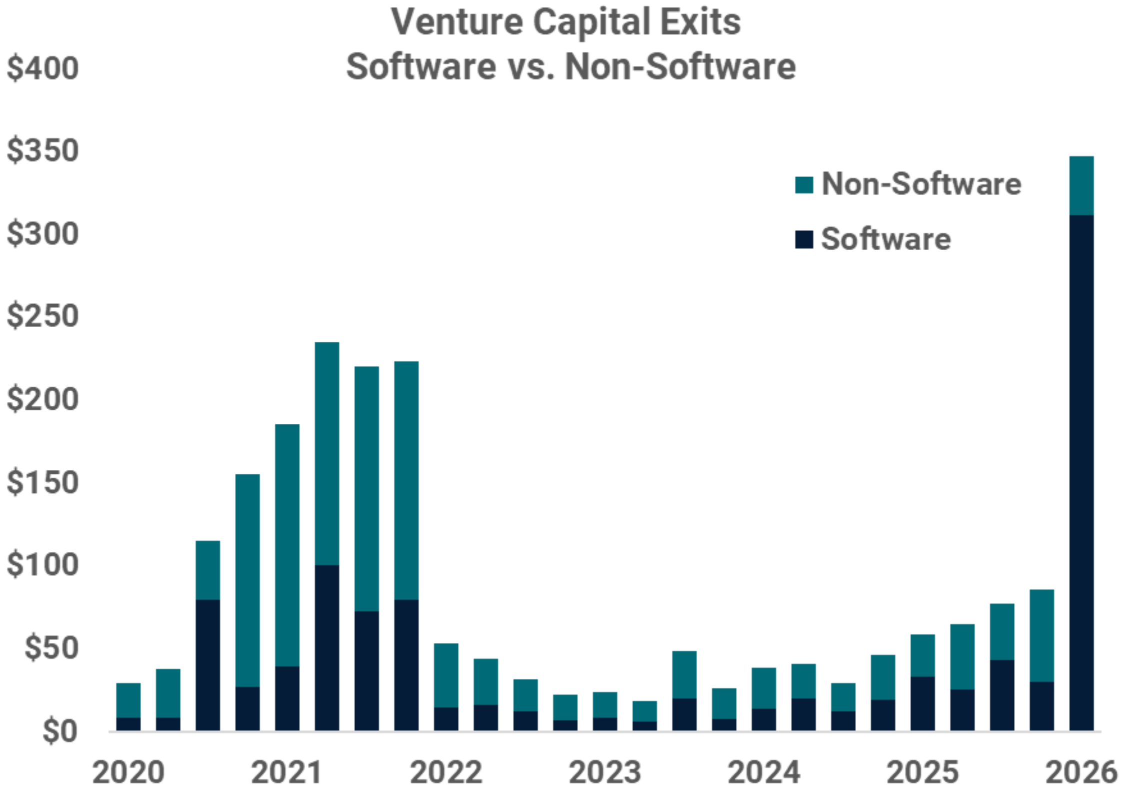


Sources: Pitchbook, National Venture Capital Association, American Enterprise Investment Services, Inc.
Data as of 03/31/2026

Private Markets – Venture Capital Dealmaking and Exits

SpaceX's acquisition of xAI heavily influenced Q1 exit numbers. Several anticipated high-profile IPOs could position 2026 for a breakout year in headline numbers. However, beyond the top companies, IPO activity remains tight.

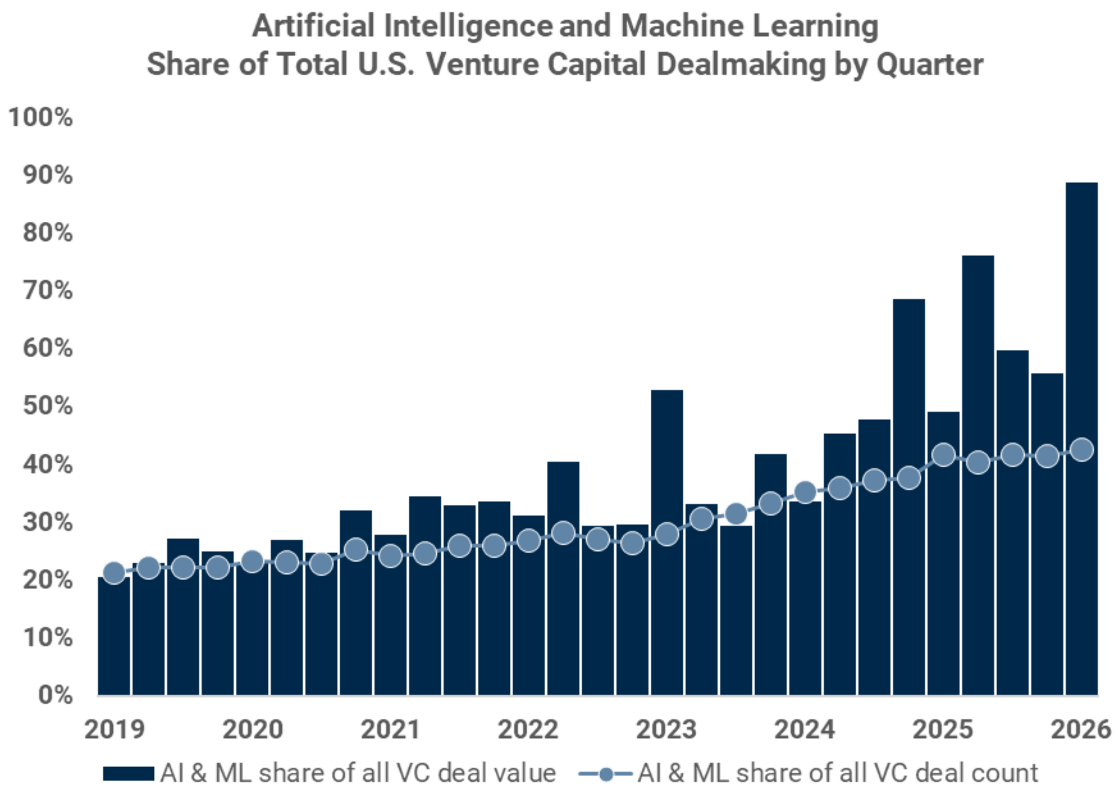


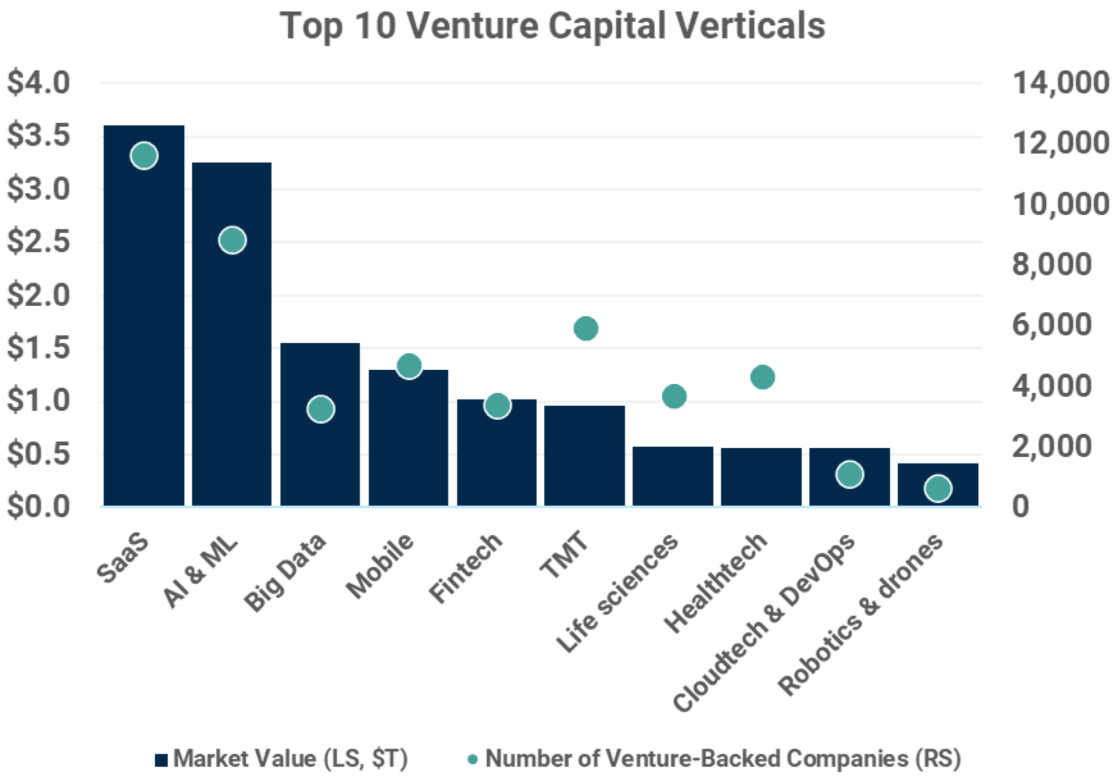


Sources: Pitchbook, National Venture Capital Association, American Enterprise Investment Services, Inc.
Data as of 03/31/2026

Private Markets – Venture Capital

Artificial intelligence and machine learning companies continue to make up the lion's share of dealmaking. Most venture capital lives in this segment, and the Software as a Service (SaaS) segment, reflecting where early-stage investor's interests lie.

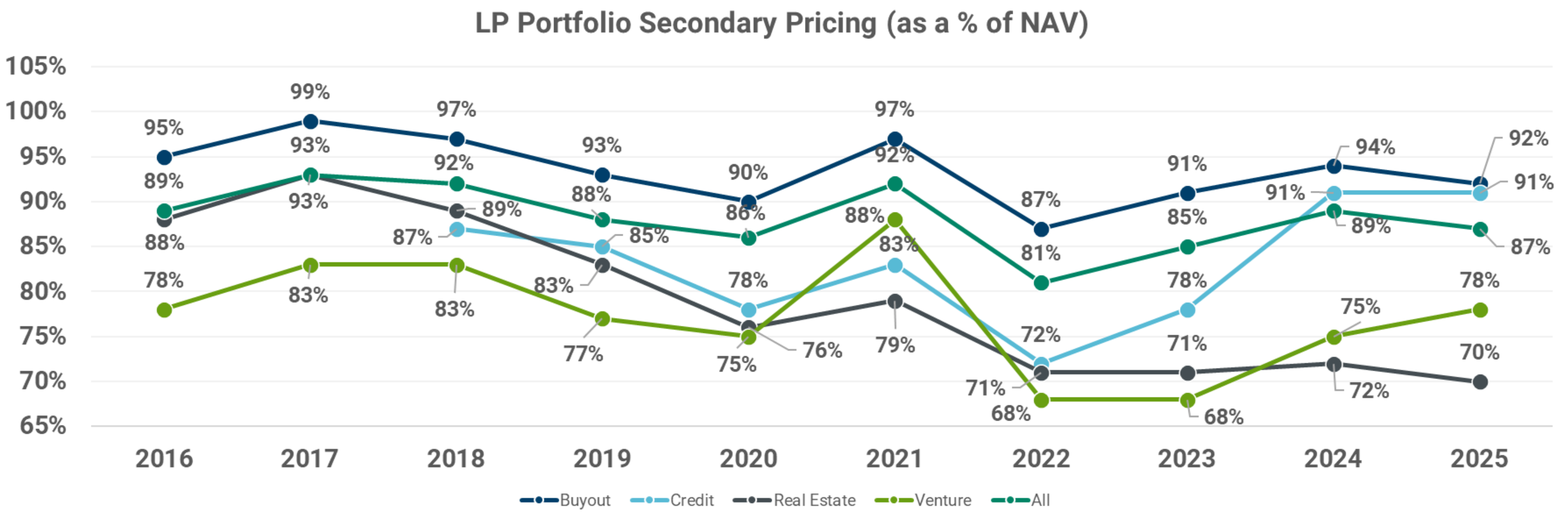




Sources: Pitchbook, National Venture Capital Association, American Enterprise Investment Services, Inc.
Data as of 03/31/2026 for quarterly dealmaking and 12/31/2025 for venture capital verticals.

Private Markets - Secondaries

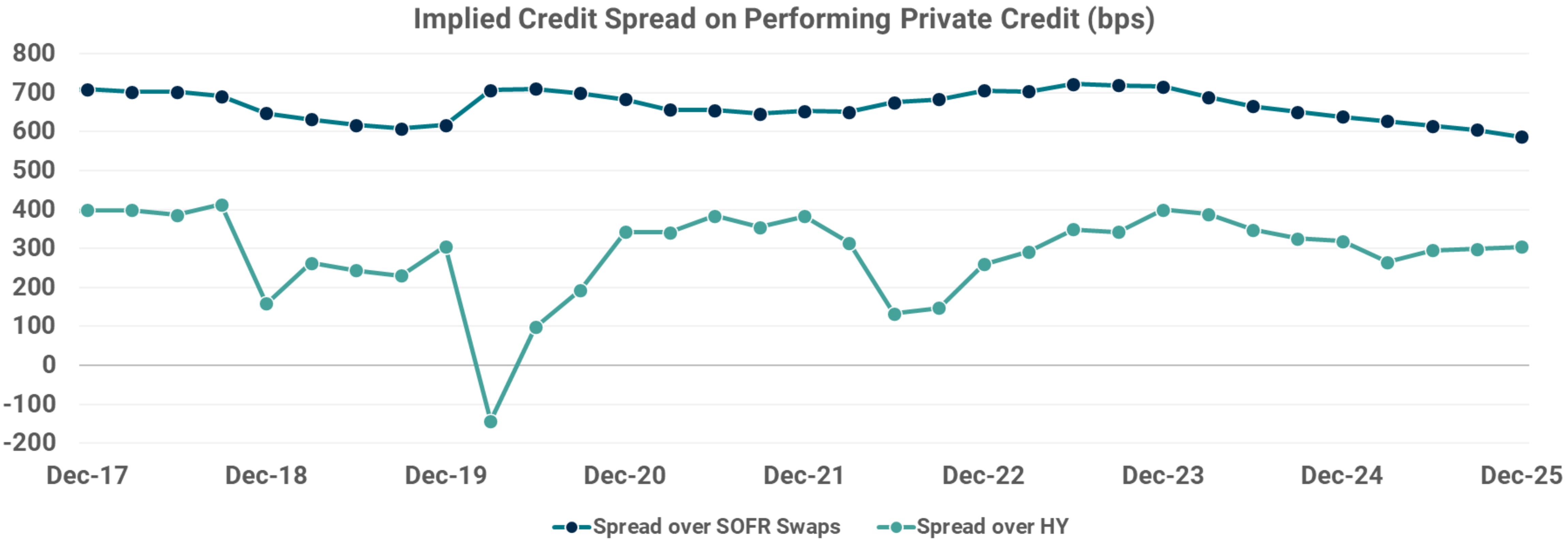
With an overhang of dry powder permeating the primary markets, investors remain focused on secondaries, though this discount has closed significantly from 2022 and 2023 levels. Discounts remain concentrated in Venture and Real Estate.



Sources: Jefferies, American Enterprise Investment Services, Inc. Data as of 12/31/2025

Private Markets – Credit Spreads

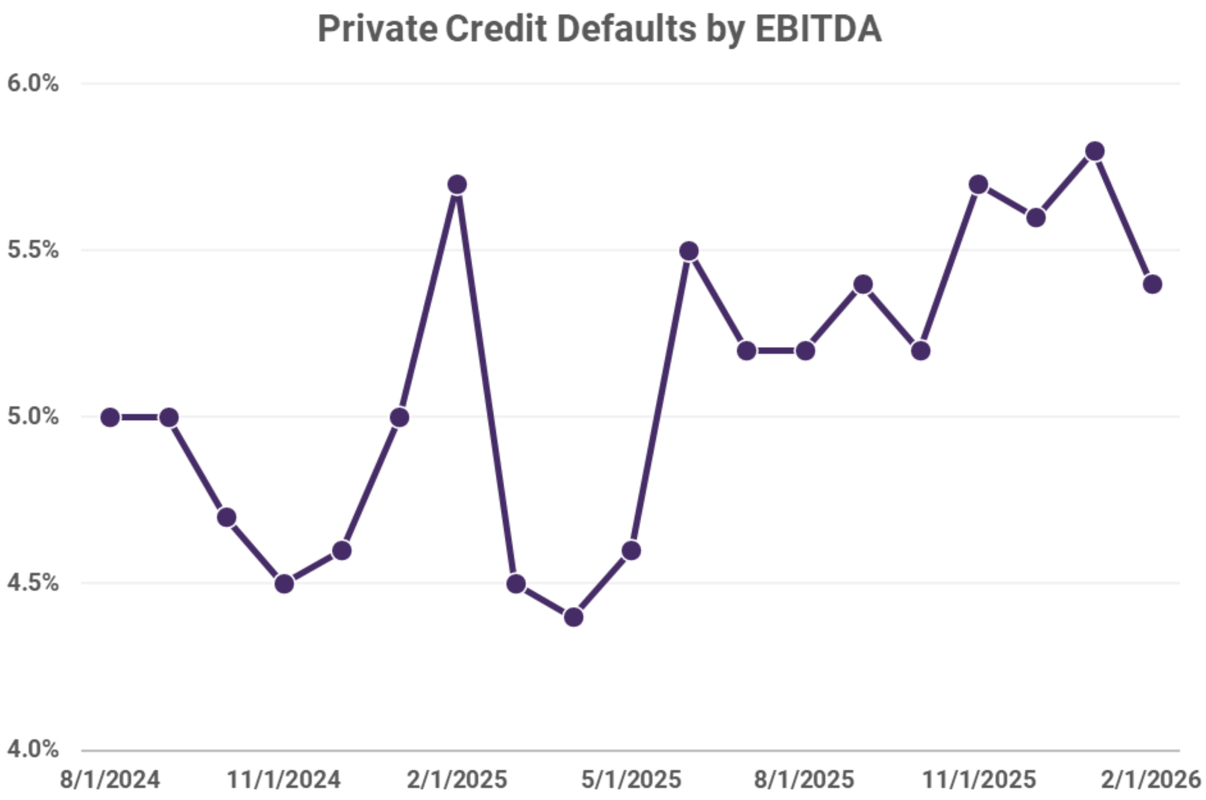
Spreads in private credit have been trending down since 3Q 2023, when measured both against the High Yield bond sector and SOFR swaps (that are matched to average maturity).

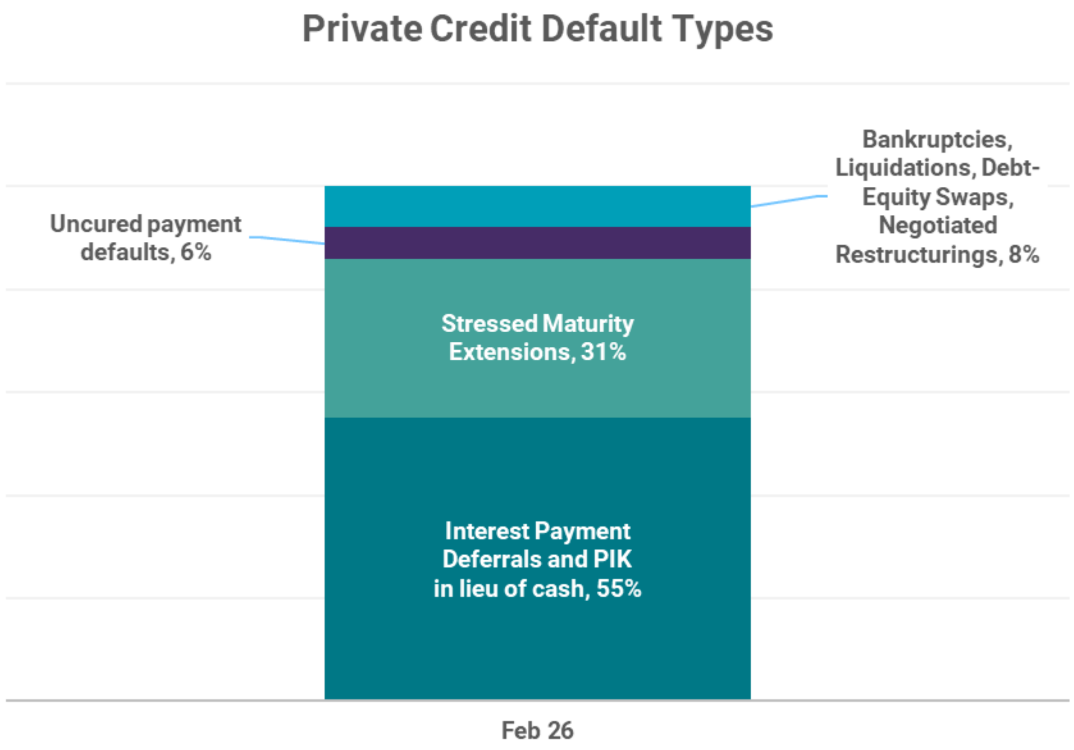


Sources: Houlihan Lokey, Bloomberg, American Enterprise Investment Services, Inc.
Implied credit spread of the Performing Private Credit Index, which is an index that tracks senior secured and unitranche loans in the U.S. private credit market that are current on contractual payments, versus the Bloomberg U.S. Corporate High Yield Bond Index and SOFR Swaps matched to the average maturity of the index respectively.
Data as of 12/31/2025.

Private Markets – Credit Spreads and Defaults

Though we saw spreads of performing private credit narrow on the prior page, defaults in the space have been trending up since early 2025.

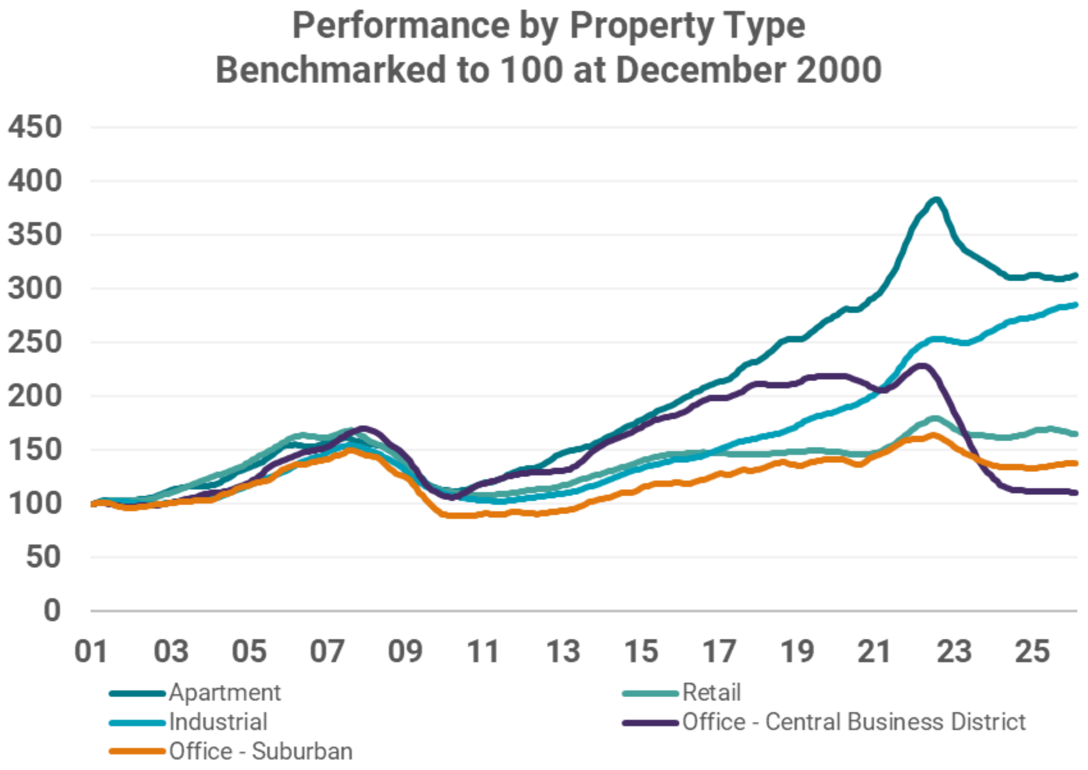


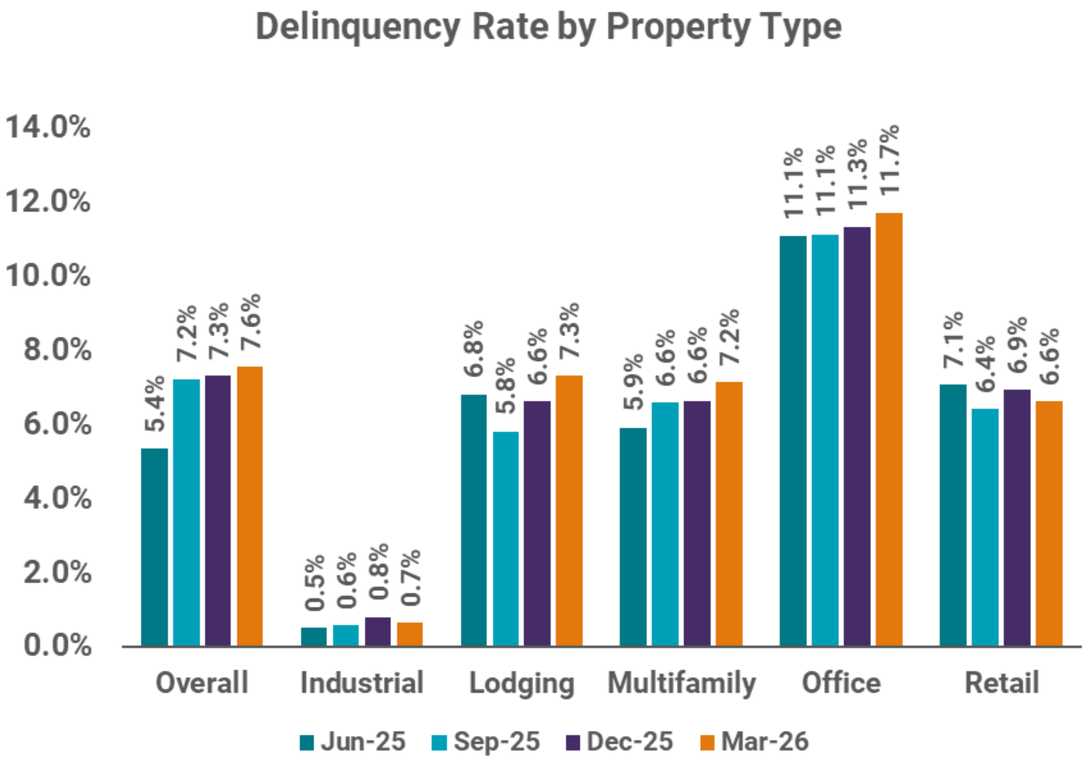


Sources: Fitch Ratings, American Enterprise Investment Services, Inc. Based on the Fitch Ratings' U.S. Private Credit Default Rate. Data as of 03/31/2026.

Private Markets - Real Estate

The MSCI Real Capital Analytics Commercial Property index rose at a 0.4% pace in the first two months of the year, and sits 1.3% higher than 12 months ago. To borrow a cliché about property – it's all about "location, location, location". MSCI reports that divergence between central business district office space, and offices in the suburbs, has resumed, with the former off by 0.2% in the year, while the latter rose 3.1%. And while Trepp reports that delinquency rates have increased in each of the last four quarters, led by the Office sector. Cushman and Wakefield report total absorption at the highest levels since the first half of 2020 (during the early stages of the pandemic), with higher quality spaces outperforming the broader market.

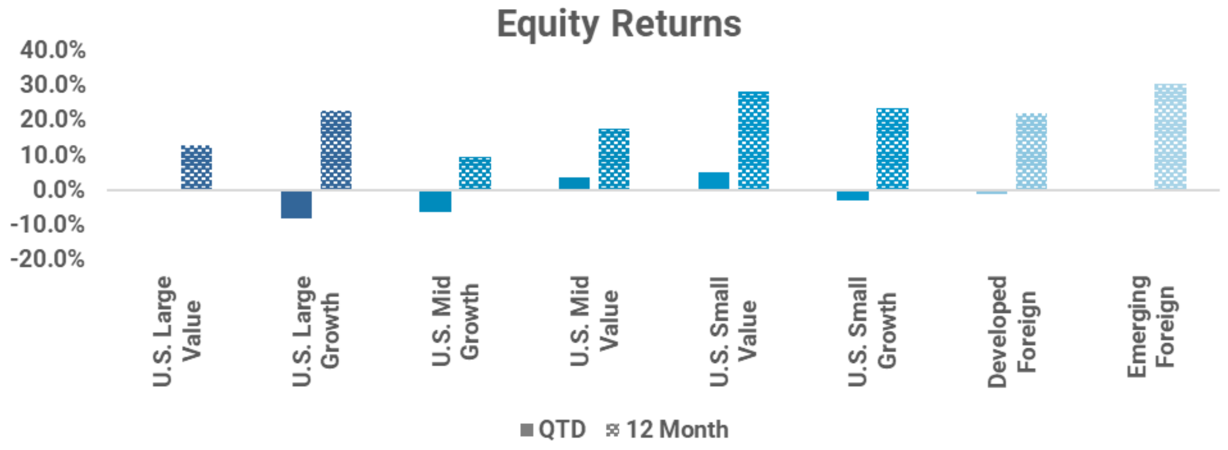


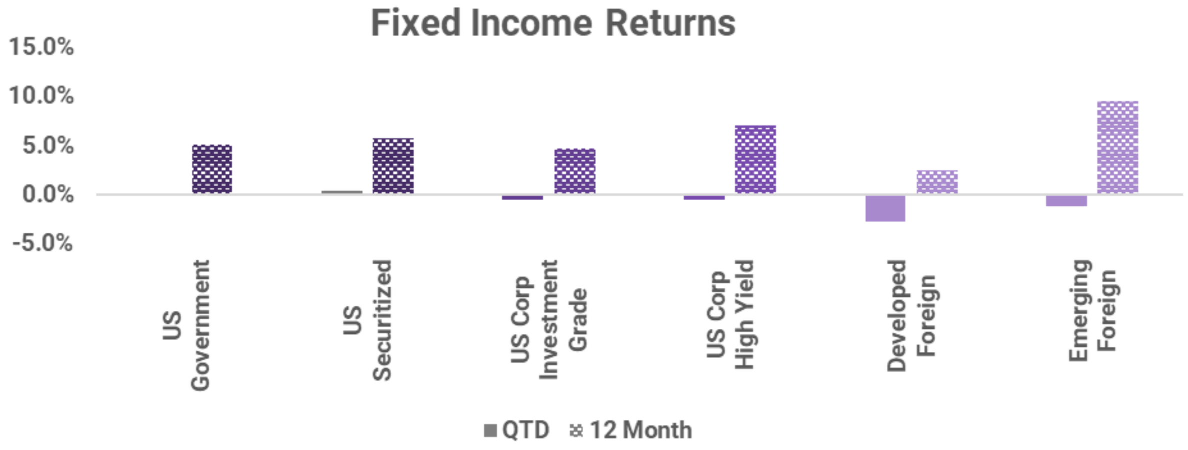


Sources: MSCI Real Capital Analytics, TREPP, American Enterprise Investment Services, Inc. Data as of 03/31/2026

Appendix

Asset Class Returns





Sources: Bloomberg, American Enterprise Investment Services, Inc.
Data as of 03/31/2026. For asset class representative indices, see page 49.

Ameriprise Global Asset Allocation Committee

Led by top Ameriprise strategists and analysts, this Committee is a team of experienced investment professionals focused on delivering asset allocation guidance and actionable investment strategies.

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Asset Allocation

Ameriprise Asset Allocation Analysts

Sumit Chugh, CFA
Senior Analyst
Asset Allocation

Amit Tiwari, CFA
Analyst
Asset Allocation

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Product Risk Disclosure

There are risks associated with fixed-income investments, including credit risk, interest rate risk, and prepayment and extension risk. In general, bond prices rise when interest rates fall and vice versa. This effect is usually more pronounced for longer term securities.

Non-Investment grade securities, commonly known as "high-yield" or "junk" bonds, are historically subject to greater risk of default, including the loss of principal and interest, than higher-rated bonds, which may result in greater price volatility than experienced with a higher-rated issue.

Growth securities, at times, may not perform as well as value securities or the stock market in general and may be out of favor with investors.

Value securities may be unprofitable if the market fails to recognize their intrinsic worth or the portfolio manager misgauged that worth.

Investments in small- and mid-capitalization companies involve greater risks and volatility than investments in larger, more established companies.

International investing involves increased risk and volatility due to political and economic instability, currency fluctuations, and differences in financial reporting and accounting standards and oversight. Risks are enhanced for emerging market issuers.

Alternative investments cover a broad range of strategies and structures designed to be low or non-correlated to traditional equity and fixed-income markets with a long-term expectation of illiquidity. Alternative investments involve substantial risks and are more volatile than traditional investments, making them more suitable for investors with an above-average tolerance for risk.

Asset Class Representative Indices

Alternatives: represented by the Wilshire Liquid Alts index

Cash: represented by the FTSE Treasury Bill 3M index

Communication Services: represented by the S&P 500 Communication Services index

Consumer Discretionary: represented by the S&P 500 Consumer Discretionary index

Consumer Staples: represented by the S&P 500 Consumer Staples index

Convertible Arbitrage: represented by the Credit Suisse Convertible Arbitrage Index

Developed Foreign Equity: represented by the MSCI EAFE index (net)

Developed Foreign Bonds: represented by the Bloomberg Barclays Global Treasury Ex US index

Emerging Foreign Equity: represented by the MSCI Emerging Markets index (net)

Emerging Foreign Bonds: represented by the JPM EMBI Global index

Energy: represented by the S&P 500 Energy index

Equity Market Neutral: represented by the Credit Suisse Equity Market Neutral Index

Event Driven: represented by the Credit Suisse Event Driven Index

Financials: represented by the S&P 500 Financials index

Fixed Income Arbitrage: represented by the Credit Suisse Fixed Income Arbitrage Index

Fixed Income: represented by the Bloomberg Barclays US Universal index

Foreign Equity: represented by the MSCI ACWI Ex USA index (net)

Global Macro: represented by the Credit Suisse Global Macro Index

Health Care: represented by the S&P 500 Health Care index

Industrials: represented by the S&P 500 Industrials index

Info Tech: represented by the S&P 500 Info Tech index

Long/Short Equity: represented by the Credit Suisse Long/Short Equity Index

Managed Futures: represented by the Credit Suisse Managed Futures Index

Materials: represented by the S&P 500 Materials index

Multi Strategy: Is a mix of alternative strategies represented by the Credit Suisse Multi-Strategy Index

Real Estate: represented by the S&P 500 Real Estate index

U.S. Large Growth: represented by the Russell 1000 Growth index

U.S. Large Value: represented by the Russell 1000 Value index

U.S. Mid Growth: represented by the Russell Midcap Growth index

U.S. Mid Value: represented by the Russell Midcap Value index

U.S. Small Growth: represented by the Russell 2000 Growth index

U.S. Small Value: represented by the Russell 2000 Value index

U.S. Corp High Yield: represented by the Bloomberg Barclays US Corp High Yield index

U.S. Corp Investment Grade: represented by the Bloomberg Barclays US Corp IG index

U.S. Equity: represented by the Russell 3000 index

U.S. Government: represented by the Bloomberg Barclays US Government index

U.S. Securitized: represented by the Bloomberg Barclays US Securitized index

Utilities: represented by the S&P 500 Utilities index

Index Definitions

DEFINITIONS
Unless otherwise noted the following indices were used throughout this document.

Index Definitions:
An index is a statistical composite that is not managed. It is not possible to invest directly in an index.
Definitions of individual indices mentioned in this report are available on our website at ameriprise.com/legal/disclosures/ in the **Additional Ameriprise research disclosures** section, or through your Ameriprise financial advisor.

General:
Copper is the world's third most widely used metal, after iron and aluminum, and is primarily used in highly cyclical industries. It is therefore commonly used as a leading indicator for economic activity.
The Effective Fed Funds Rate is the daily volume-weighted median value of overnight rates conducted by brokers. Prior to 2016, the rate was calculated by the New York Fed as the volume-weighted mean.
Gold spot price is quoted in US dollars per troy ounce. Gold is commonly used as a safe haven asset or inflation hedge. Its price tends to spike in a counter-cyclical fashion to economic activity.
U-6 is a measure of unemployment that includes the total unemployed, plus all persons marginally attached to the labor force, plus total employed part time for economic reasons, as a percent of the civilian labor force.
Weekly Economic Index (WEI) is an index of ten daily and weekly indicators of real economic activity scaled to align with the four-quarter GDP growth rate.
Yield-to-Worst is a measure of the lowest possible yield that can be received on a bond that fully operates within the terms of its contract. The yield to worst metric is used to evaluate the worst-case scenario for yield at the bond's earliest allowable retirement date, which is either at maturity or earliest call-date.

Disclaimer Section

Except for the historical information contained herein, certain matters in this report are forward-looking statements or projections that are dependent upon certain risks and uncertainties, including but not limited to, such factors and considerations as general market volatility, global economic and geopolitical impacts, fiscal and monetary policy, liquidity, the level of interest rates, historical sector performance relationships as they relate to the business and economic cycle, consumer preferences, foreign currency exchange rates, litigation risk, competitive positioning, the ability to successfully integrate acquisitions, the ability to develop and commercialize new products and services, legislative risks, the pricing environment for products and services, and compliance with various local, state, and federal health care laws. See latest third party research reports and updates for risks pertaining to a particular security.

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